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THE *NHCN* Annual Report on the Home Center Industry—pp. 21-112

National
Home Center News®

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Streamlined Great Plains positioned to withstand farm community woes

By Laura Liebeck
***NHCN* field editor**

ST. PAUL, Minn. — When Great Plains Supply Co. closed exactly half its 82 operating units last January, company president John Sellner said the drastic measures were implemented to secure the survival of the farm-directed cooperative in the economically depressed farm communities in which it operates.

In addition to closing 41 units which the company viewed as hopeless,

(Continued on page 129)

Great Plains' president John Sellner: "We are lean and can sustain a few more years of this." NHCN photo

Posner taps financial aide to head Evans' retail group

By John Caulfield
NHCN senior editor

MIAMI BEACH — Jack Koppersmith has been named acting president of Evans Retail, the $1 billion division of Evans Products Co. here, whose reorganization under Chapter 11 continues.

Koppersmith, who at one time was chief financial officer for Revlon, holds the same position with several of the companies controlled by Evan's chairman and financier, Victor Posner. He is expected to retain his financial responsibilities as president of the 349-unit division. Koppersmith was traveling and could not be reached for comment.

He fills the void left by the department last November of longtime Evans Retail president Mike Grossman, who stepped down to pursue his efforts to reacquire the division through a leveraged buy-out (*NHCN*, Dec. 17, 1984).

Grossman's offer is still being evaluated as are several other bids for different parts of the divisions insiders claim have been tendered since Evans' March 11 bankruptcy filing. Their identities, however, have not been made known.

The choice of Koppersmith was greeted with trepidation by some vendors, who see him as a "stand-in" for Posner in the latter's attempt to orchestrate the events leading to reorganization as negotiations continue with vendors and bank lenders over how Evans is run, and how the $752 million in current and long term liabilities owed by the company and its seven subsidiaries in bankruptcy will be paid.

"All I can say about Koppersmith is that, at an informal trade creditors' meeting during the home center show in March, he was very abrasive and, in my opinion, insulting to suppliers," said a manufacturing source familiar with Evans' bankruptcy proceedings. "I don't know how this appointment will affect negotiations."

Koppersmith will find suppliers more receptive toward shipping Evans home centers now

(Continued on page 129)

Industrywide growth surge pauses in 1Q

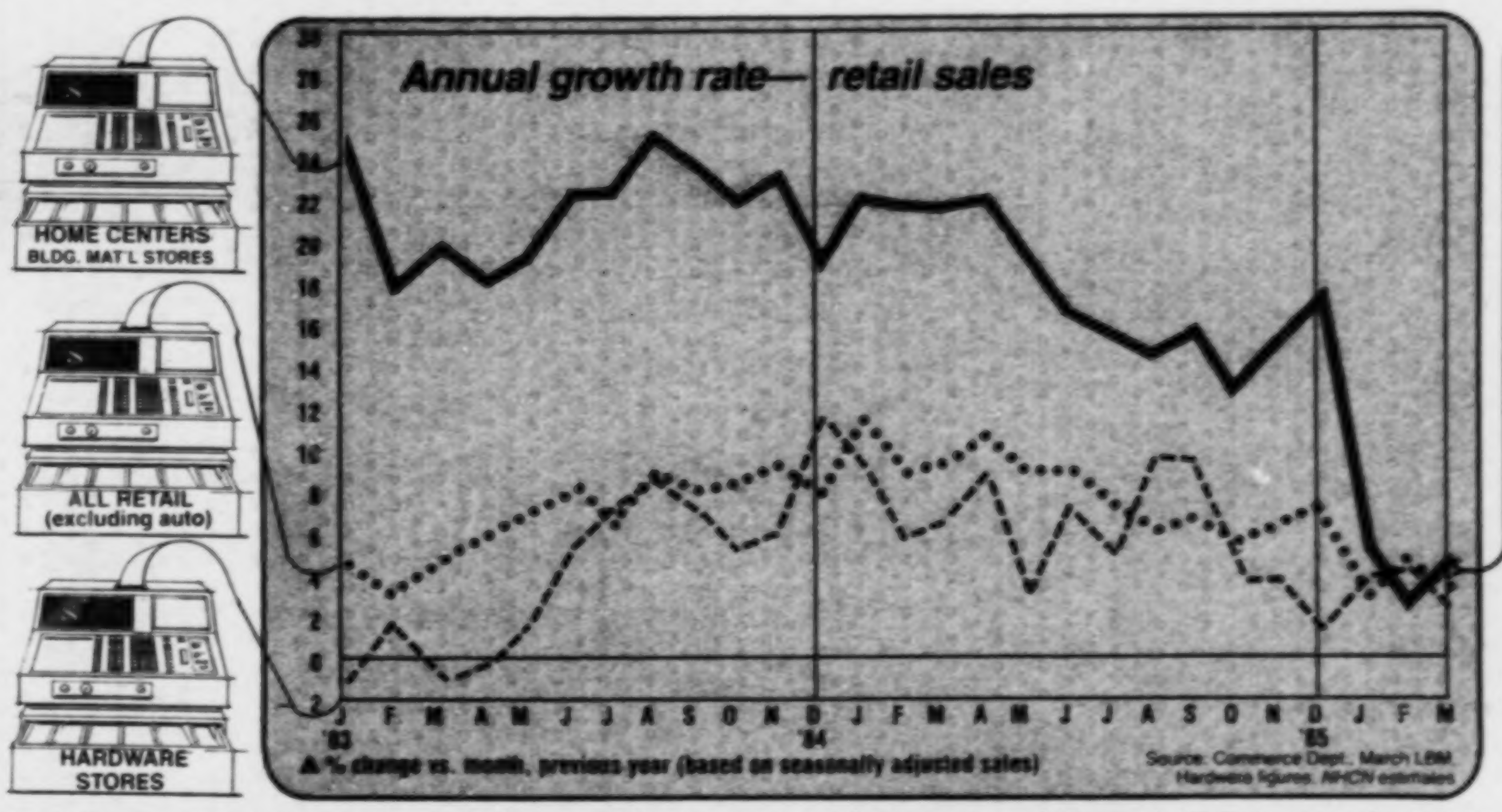
By Wyatt Kash
NHCN Editor

NATIONAL REPORT — The booming retail building supply business took a deep and sudden breath in the first quarter of 1985, following 25 consecutive months of double-digit annual sales increases.

Preliminary estimates for United States building material and supply retailers show the rate of sales increases slumped sharply in the first two months of the year compared to 1984 figures. January sales, adjusted for seasonal, holiday and trading-day variations, were up only 5.5% from the year before, while February sales rose a meager 1.8%. Advanced figures for March indicate sales snapped back, but only to an estimated 7% year-to-date increase.

In contrast, December sales were 16.2% higher than the previous December, capping a year in which total building material and supply store sales (SIC 521,523) rose 17.3%, to a record $49.8 billion *(see accompanying story)*.

(Continued on page 129)



Source: Commerce Dept., March LBM. Hardware figures: NHCN estimates

TOP 10 1984

Chain	Total Sales (in millions)	% Change
1. Lowe's	$1,689	+18
2. W. R. Grace	1,200	+17
3. Payless Cashways	1,176	+17
4. Evans Products	1,070	+17
5. Wickes Cos.	1,058	+20
6. 84 Lumber	750	+19
7. Sutherland	525	+23
8. Scotty's	440	+10
9. Home Depot	433	+69
10 Hechinger	405	+31
TOTAL TOP 10	8,746	+20

Source: *NHCN* Top 100—Total Sales

Building material store sales in February failed to grow as fast as all retail stores for the first time since September 1982. Pause in rate followed 17.3% surge in total sales in '84, fueled by growth of nation's top home centers. NHCN chart

Top 10 carry Top 100 to $17B in '84 sales

NATIONAL REPORT — At $1.689 billion in sales, Lowe's Co. in 1984 led the home center industry in total volume. Lowe's has led in total sales since 1982.

The industry's top 100 companies, in sales, generated $17.108 billion during 1984, up 18% from 1983.

And more than half the total volume of the top 100 chains was generated by the top 10, according to the *National Home Center News* Annual Report on the Home Center Industry for 1984.

The concentration of sales power in the top 10 reflects the consolidation now occurring in the home center industry. In fact, five companies, whose sales were recorded in *NHCN*'s Top 100 in 1983, last year appeared as part of larger companies in 1984. These include Somerville Lumber and Hugh M. Woods, now part of Payless Cashways, and Oles, now part of W. R. Grace.

That consolidation has become a fact of industry life is evident from the short history of Bowater Home Centers, Dallas, which has developed into a nine-store chain and then sold to The Home Depot before Bowater even joined the ranks of the Top 100 chains.

Big companies swallowing smaller companies took the place of constructing new stores as a way to grow in 1984, as the net unit count for the industry rose only 2.6% to $4,292. But when chains such as Payless, Lowe's, W. R. Grace or a regional company like Houston's McCoy's put up a new unit, the store was generally much larger than those chains' average store size, and carried considerably more merchandise.

Companies sought to expand existing floor space and build bigger units to counter the explosive growth by the warehouse chains in 1984, and the correlative growth of the warehouse concept in the industry.

Builders Square went from five to 15 units last year, and its sales rose 1,018%; HomeClub's volume went up 600% with the addition of four new 90,000-sq.-ft. units; Mr. HOW Warehouse added 10 stores, equalling 800,000-sq.-ft., to its two existing units within a 90-day period last fall, and its 1984 volume was 247% higher than in 1983.

In addition, a raft of other companies either developed warehouses as part of their overall operations (e.g., Homecrafters Warehouse and W. R. Grace's Home Quarters Warehouse, which opened in early 1985), or experimented with a warehouse-type format in retrofitting their units. A total of 129 warehouses were operated by 19 companies in 1984.

The average size of a unit run by the industry's Top 100 chains, based on the total number of stores divided into total square footage, was 21,433-sq.-ft., which appears to be considerably larger than the average in 1983. A comparable figure for the top 100 in total sales last year is not available, however, the Top 100 chains listed in *NHCN*'s DIY sales chart for 1983 had a per-store average of 19,470 sq. ft.

The industry, as a whole, was divided last year between the haves and have nots. Companies such as Mr. Goodbuys, Edward Hines Lumber, M. G. Building Materials, Stripling Blake, Williams Brothers and Wolf Supply all enjoyed sales gains of 40% or better. And the

(Continued on page 129)

NEWSBREAKS

HANDYMAN TO GO PUBLIC. Edison Brothers of St. Louis voted April 17 to spin off its Handyman home centers into a separate public corporation. Scheduled for this summer, the spinoff will exchange one share of Handyman stock for four Edison shares.

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Home centers court contractor biz
—Page 3

[illegible]
—Page 6

NHCNews Briefs

Industry Update

Steinberg lowers Wickes stake

WASHINGTON — A company controlled by financier Saul Steinberg has lowered its stake in Wickes Cos. to 8.4% from 10.4%, according to a S.E.C. filing.

Steinberg's Reliance Financial Service Corp. said it sold 1.98 million Wickes common shares between April 10 and April 17 at $3.75 to $4.75 a share. Reliance now holds 8.01 million of Wickes' 94 million common shares outstanding.

In March, Reliance announced that it paid $37.9 million for 10 million common shares outstanding, making Reliance the largest Wickes shareholder. Steinberg later contacted Wickes chairman Sanford C. Sigoloff and indicated he was not making a takeover attempt or seeking board representation (*NHCN*, April 22).

In the S.E.C. filing, Reliance did not disclose its reason for lowering its stake in Wickes.

Payless names Stanley chairman

KANSAS CITY, Mo. — Last June, at a security analysts meeting in New York, Payless Cashways president David Stanley jokingly introduced Harold Cohen, of Payless' subsidiary Somerville Lumber, as the only person in the company with the title of chairman.

Not anymore. Stanley was appointed to the additional title of chairman at Payless board of directors meeting that followed the annual shareholder meeting, April 11.

Stanley, a member of Payless' board since 1969, was named president in 1980 and ceo in 1982. Stanley was a vice president of Piper, Jaffray & Hopwood Inc., the Minneapolis brokerage, when he accepted the Payless presidency.

At the annual meeting, Payless shareholders voted to add to the firm's articles of incorporation five amendments that were viewed as antitakeover provisions.

The amendments (*NHCN*, April 8) provided for a board of directors that serves staggered terms; cumulative voting, which potentially increases the clout of minority shareholders and overwhelming shareholder approval, in certain instances, before a merger or takeover can occur.

The other two provisions increased the amount of authorized common and preferred stock.

In addition, at the meeting, all members of the Payless board were approved and all officers were re-elected.

Lowe's announces new offering

NORTH WILKESBORO, N.C. — Lowe's announced a $75 million public note offering April 19. Proceeds from the 11.5% notes have been earmarked for financing the cost of buildings and equipment for new and existing stores, and to fund working capital requirements. Some $21 million will be used to repay short term debt that was incurred when the chain purchased 23 Boise Cascade stores earlier this year (*NHCN*, Feb. 25).

Kidder Peabody and Salomon Brothers are co-managers of the underwriting group that is offering the notes, which are due on April 1, 1995.

In other news, Lowe's moved into its 21st state on March 28 when it opened a 27,000-sq.-ft. unit in Springfield, Mo.

Chase-Pitkin slates reopening

ROCHESTER, N.Y. — Chase-Pitkin scheduled an April 28 grand reopening celebration of its Mount Read Boulevard store in Greece, N.Y., a Rochester suburb.

Formerly a 29,000-sq.-ft. unit, the Mount Read store—which never closed through its renovation period—was enlarged 17,000 sq. ft. to 46,000 sq. ft. It also was given a 15,000-sq.-ft. semienclosed outside selling area for lawn and garden, nursery and building materials.

The company has also scheduled a late June opening for its 12th unit, in the Rochester suburb of Canandaigua.

The new store will include 60,000 sq. ft. of retail floor space plus a 15,000-sq.-ft. outside selling area. This unit, however, is being built with greater emphasis on contractor sales than previous Chase-Pitkin stores.

Fagen's holds grand opening

VERONA, Pa. — Fagen's Inc. held a grand opening celebration April 11 for its 12 home centers which had been split off from Busy Beaver late last year.

The event was supported by a media campaign that had been designed by Mark McCully, the firm's director of advertising, previously with Busy Beaver. Advertising included run of press in 12 newspapers, followed by a series of circulars; two weeks of radio spots on 17 stations, and three days of intensive television advertising on three stations.

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Vol. 11, No. 10 May 6, 1985

Wickes filing gives BE shake-up details

LOS ANGELES — Wickes Cos. recently revealed details surrounding an 83% drop in operating profits and a management shakeup last year at 59-unit Builders Emporium.

The information was provided in an S.E.C. filing that also revealed the compensation top Wickes officials received in 1984.

"During the early months of 1984, Builders Emporium experienced a serious reduction in sales," a Wickes preliminary prospectus dated April 1, 1985, reported. "It was not maintaining adequate inventories and store employee coverage to meet the customer's needs and advertising had been reduced in an attempt to achieve an improvement in short-term profit."

These circumstances triggered an executive-suite shakeup last summer topped by BE president Tony Swies' early retirement. An essentially new management team headed by president Hal Smith was assembled last last year.

"In the early summer of 1984," the document said, "management of Wickes began implementing remedial measures, including the search for a new president. Active participation was necessary by [Wickes] corporate staff in many of the ongoing management activities at Builders Emporium."

In August, senior Wickes vp Bernard Kritzer was named acting president of BE. During the period prior to Smith's arrival, BE launched "aggressive advertising and promotional campaigns to recover market position in the highly competitive industry in which it operates," the S.E.C. document said.

Despite 1984's dive in operating profits, BE posted an 8% sales gain, to $204 million. Trade sources said BE so far this year has rebounded sharp-

(Continued on page 130)

Mr. HOW parent buys catalog chains

NASHVILLE — Service Merchandise, the $1.7 billion parent company of Mr. HOW Warehouse, said it had reached agreements to purchase the H. J. Wilson and the Ellman's catalog showroom chains, for close to $200 million.

"We know definitely that a couple of the locations could be [turned into Mr. HOW stores]," said Ray Zimmerman, chairman of Service. "We are evaluating all of the sites now," to determine which ones can be made into units in the company's rapidly expanding warehouse home center chain.

Zimmerman emphasized, however, that decisions to transform any of the acquired locations into Mr. HOW's would be put off until the first of next year, since the company has already nailed down its expansion sites for 1984.

Service agreed to acquire H. J. Wilson, the $531 million chain of 80 catalog showrooms based in Baton Rouge, La., for a total of $154.5 million in cash. It agreed to acquire Ellman's, an $80 million chain of 11 catalog showrooms based in Smyrna, Ga., for $32.8 million in cash.

Shareholders of over half of the outstanding shares of both target firms have agreed to sell their holdings to Service. Acquisitions of both firms remain subject to the approval of the remaining shareholders. Zimmerman said he expected tender offers of both companies

(Continued on page 130)

David Moss leaves Moss Manufacturing

By Laura Liebeck
NHCN field editor

MIAMI — David Moss, chairman of the board of Moss Manufacturing, resigned his post effective April 11, selling his 50% ownership in the company to his partner Monroe Zalkin.

The parting was a multimillion transaction, said Zalkin, although both men refused to disclose the exact amount.

The two men became partners in the imported ceiling fan, light fixture business seven years ago.

Moss Manufacturing had 1984 sales of $90 million, according to Zalkin, although other estimates put that figure at $76 million.

Moss characterized the separation as a "divorce," saying the dissolution of their partnership was for "personal reasons." Zalkin, however, said the two men had "different business philosophies."

Zalkin will maintain complete ownership of Moss Manufacturing, including the company name and the estimated $25 million debt—the results of growing too big too fast, Zalkin said—and should be completely settled within 60 days. He said he just got "an infusion of capital" to settle the debt, part of which he had already received.

He declined to name the financial sources of the money, its amount and when it was received.

Moss, who said "it was time to go. It was time not to have a partner," will independently pursue his nine-year-old business, World Wide Sales Inc., from his new headquarters in Miami Lakes.

World Wide Sales was the manufacturer's representative for Moss Manufacturing until the partnership was dissolved last month.

(Continued on page 130)

Highlights in this issue

The NHCN Annual Report on the Home Center Industry

1984: The year of consolidation ... 21
The NHCN Top 100—Total Sales ... 22, 24, 26
The NHCN Top 100—DIY Sales ... 28
A 10-year retrospective of the NHCN Top Ten ... 31
Bare-bones warehouse retailing continues to drive industry ... 33
The Growth of Warehouse Chains ... 35
Buying groups sales up; membership levels off ... 101
The Top Hardware, LBM Buying Groups ... 101
Warehouses affect wholesalers' business ... 102
Wholesaler Buying Groups ... 102

The Top 25 Chains

Boise Cascade ... 82
Builders Square ... 91
Carter-Jones ... 96
Central Hardware ... 91
Diamond Lumber ... 83
84 Lumber ... 79
Ernst ... 90
Evans Products ... 77
Forest City ... 96
W. R. Grace ... 74
Handyman ... 85
Hechinger ... 82
The Home Depot ... 80
Lanoga ... 83
Lowe's ... 74
McCoy's ... 93
Menard's ... 89
Payless Cashways ... 77
Pay 'N Pak ... 89
Pergament ... 93
Rickel ... 83
Scotty's ... 80
Sutherland ... 85
West ... 90
Wickes Cos. ... 78

Index

Calendar ... 120
Classified ... 125-127
Editorial ... 8
Financial News ... 4, 5
Home Center Trivia ... 12
Housing Watch ... 10
Lumber Report ... 12
New Products ... 114-116
People ... 12
Washington View ... 8

1984: The Year in Merchandising

Building Materials ... 48
Electricals ... 69
Hardware ... 52
Lawn & Garden ... 45
Lumber ... 71
Paint ... 57
Plumbing, Heating & Cooling ... 60
Hand & Power Tools ... 64

FINANCIAL NEWS

27 **Gainers**

2 Unchanged

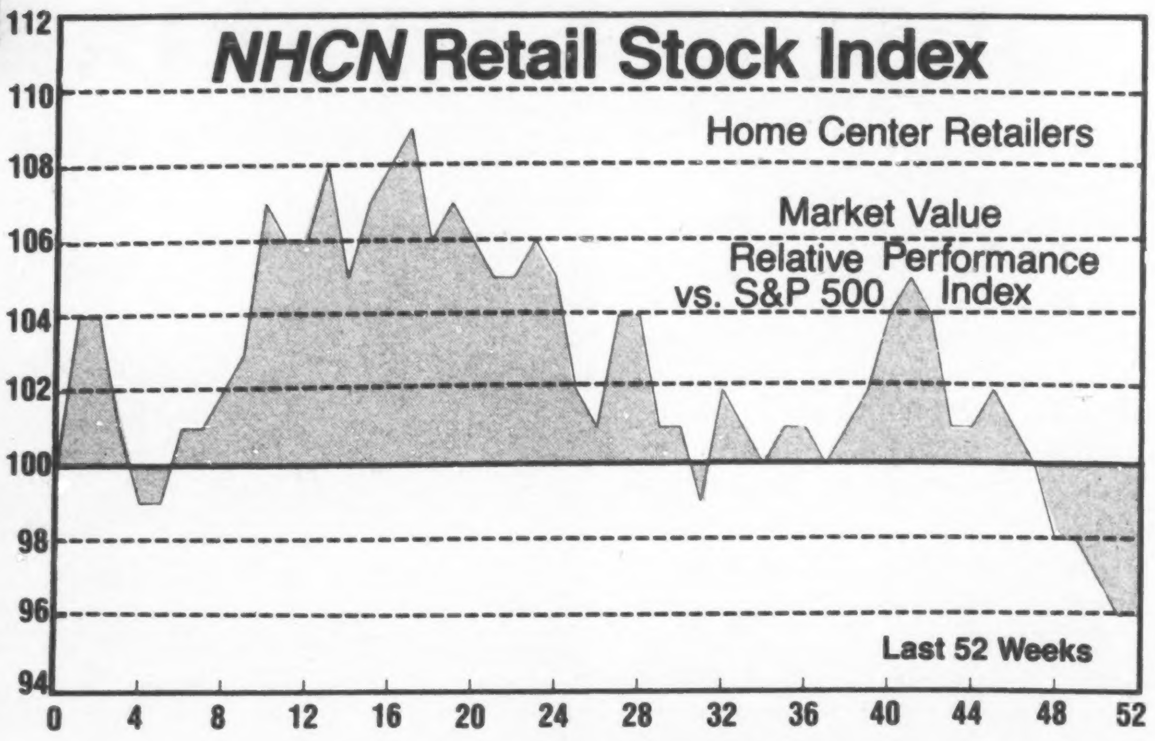
25 **Losers**

Home center stocks rebounded a bit from four weeks of lackluster performance as gainers edged losers, 27 to 25, with two stocks unchanged for the two-week period ended April 19.

Hechinger B common stock rose 12% to its 52 week high of $28 on 1,073,000 shares traded for the two-week period. Hechinger A increased 9.5% to $26, also a 52 week high, on 1,409,000 shares traded. Boise Cascade stock climbed 11% to $41.75 as the company consolidates its retail building materials segments to concentrate on paper, packaging and office products. Scotts Seaboard, parent of 17-store Scott's based in Linthicum, Md., posted a 10% gain to $1.38 for the two-week period. Home Depot bounced back from a 4.4% drop during the previous period to close at $17.75, a 9.2% gain for the latest period.

On the losing side of the slate, Homecrafters Warehouse continued its downward price slide. The Birmingham, Ala.-based chain backed up a 7.9% decline in the previous period with an 8.6% drop to close the latest period at $8. Evans Products' stock price fell 5.6%, closing on April 19 at $2.13 as the company grapples with reorganization under Chapter 11.

The *NHCN* Retail Stock Index climbed to 96.0, relative to the Standard & Poor's 500 Index, which closed at 181.11, up 0.15% from the previous period.



Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

MOST ACTIVE STOCKS

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
	(100)	%	%
Waxman Ind M	2,880	240.2	1.3
Stanley Works N	7,795	201.0	1.8
Clopay Corp A	326	197.8	- 5.5
Triangle Pac N	3,678	194.8	- 3.4
La Pacific N	8,031	174.1	1.2

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
	(100)	%	%
Potlatch Cp N	3,987	6.6	161.6
Supermkts Gen N	4,719	6.3	154.8
Hechinger A M	1,409	9.5	145.1
Owens Corning N	8,522	- 2.3	144.1
Grace W R N	8,411	- .6	111.0

TOP GAINERS

Company & Market	2-Weeks Ended 4-19-85	2-Week Price Change	Total 2-Week Volume
	$	%	(100)
Hechinger B M	28.00	12.0	1,073
Boise Cascade N	41.75	11.0	9,185
Scott Seabd O	1.38	10.0	20
Hechinger A M	26.00	9.5	1,409
Home Depot N	17.75	9.2	8,472

TOP LOSERS

Company & Market	2-Weeks Ended 4-19-85	2-Week Price Change	Total 2-Week Volume
	$	%	(100)
Nat'l Gypsum N	39.50	- 10.2	3,301
Manville Cp N	7.13	- 9.5	7,066
Homecrafters Whse M	8.00	- 8.6	1,922
SW Forest Ind N	12.63	- 8.2	2,533
Evans Prod N	2.13	- 5.6	1,447

National Home Center News HOME CENTER INDUSTRY MARKET SUMMARY

	Stock Market											Financial Update																	
	Price							Volume					Indicated Divd. Rate		Latest Report			Latest Quarter						Year-to-Date					
	2-Weeks Ended	2-Weeks Change		2-Week Range		52-Week Range		2-Weeks Shares Traded		12-Week Avg. Vol.	Volume Trend	P/E			New		Date	Revenue		Net Income		E.P.S.		Revenue		Net Income		E.P.S.	
Company and Market	4-19-85	Amt.	Pct.	High	Low	High	Low	Total	% Out	As % Out	Change	Ratio	Amt.	Yld.	Report	Period	Ended	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.	Amt.	Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																													
Boise Cascade N	41.75	4.13	11.0	42.38	37.63	44.63	32.50	9,185	3.36	1.94	73.2	18.7	1.90	4.6	.....	fiscal	12-84	907.2	.7	(24.5)	- 100.0	(1.01)	- 100.0	3816.9	10.6	69.6	15.2	2.23	16.8
Color Tile M	16.75	- .75	- 4.3	17.63	16.50	20.00	13.63	2,227	2.42	3.73	- 35.1	11.2	.00	.0	.....	6 mos.	12-84	83.2	21.1	3.4	- 5.6	.37	2.8	158.7	20.7	6.2	- 1.6	.68	9.7
Edison Bros N	34.38	1.88	5.8	34.75	31.63	39.75	31.50	1,222	1.21	.69	75.4	10.8	1.60	4.7	.....	fiscal	12-84	277.2	- 9.3	8.4	- 61.3	.82	- 59.0	1054.7	3.3	32.9	- 32.7	3.19	- 29.3
Erb Lumber O	22.50	.50	2.3	24.13	22.00	22.50	18.00	17	.19	.27	- 29.6	6.9	.00	.0	.....	fiscal	12-84	36.5	10.6	.8	NE	.98	NE	150.1	11.0	2.9	38.1	3.27	42.8
Evans Prod N	2.13	- .13	- 5.6	2.25	2.00	7.75	1.75	1,447	1.05	1.72	- 39.0	NE	.00a	.0	.....	9 mos.	09-84	404.2	10.6	(12.6)	NE	(.99)	NE	1030.0	6.1	(52.6)	NE	(4.04)	NE
Forest City Ent A	20.88	- .13	- .6	20.88	20.38	22.25	15.00	35	.09	.08	12.5	67.3	.15	.7	.....	9 mos.	10-84	85.8	284.8	2.7	NC	.34	NC	256.5	37.5	3.1	- 35.4	.39	- 35.0
Grace W R N	40.38	- .25	- .6	42.75	40.25	44.50	36.50	8,411	1.73	.82	111.0	10.0	2.80	6.9	.....	fiscal	12-84	1830.8	4.4	59.1	13.0	1.22	2.5	6727.8	8.2	195.6	27.0	4.02	26.8
Hechinger A M	26.00	2.25	9.5	26.00	23.75	26.00	13.50	1,409	2.01	.82	145.1	NA	.16	.6	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B M	28.00	3.00	12.0	28.25	24.75	28.00	14.50	1,073	.97	.48	102.1	24.3	.10	.4	.....	fiscal	01-85	102.4	29.6	6.1	19.6	.34	17.2	405.1	30.9	20.9	29.0	1.15	27.8
Hines Ed Lumber O	39.50	1.50	3.9	40.50	38.25	43.75	32.50	69	.39	.26	50.0	5.1	1.00	2.5	.....	fiscal	12-84	68.4	10.3	8.8	2833.3	6.44	3477.8	280.8	12.5	11.1	516.7	7.74	651.5
Homecrafters Whse M	8.00	- .75	- 8.6	8.75	7.50	16.25	5.25	1,922	6.81	3.53	92.9	38.1	.00	.0	.....	fiscal	10-84	41.3	58.2	(2.3)	- 100.0	(.81)	- 100.0	121.2	54.6	(1.6)	- 100.0	(.55)	- 100.0
Home Depot N	17.75	1.50	9.2	18.50	15.75	27.88	12.00	8,472	3.39	1.96	73.0	31.7	.00	.0	.....	fiscal	01-85	117.4	42.3	3.6	9.1	.14	7.7	432.8	68.9	14.1	36.9	.56	36.6
K mart Cp N	34.25	1.00	3.0	34.38	32.38	41.50	27.13	45,827	3.67	2.14	71.5	8.9	1.24	3.6	NEW	fiscal	01-85	6875.5	21.6	204.3	- 17.8	1.57	- 17.8	21095.9	13.4	499.1	1.4	3.84	1.1
Lowe's Cos N	26.75	.38	1.4	26.88	25.63	30.00	16.25	3,141	.87	.90	- 3.3	15.7	.36	1.3	.....	fiscal	01-85	375.9	13.6	10.5	10.5	.29	11.5	1688.8	18.0	61.4	21.3	1.70	21.4
Mich General A	6.50	- .25	- 3.7	6.88	6.00	8.50	4.63	1,481	1.31	1.00	31.0	14.1	.00	.0	.....	fiscal	12-84	105.1	- 7.0	.6	NC	.04	NE	449.4	134.1	5.4	63.6	.46	24.3
Nat'l Lumber M	5.50	.25	4.8	6.00	5.00	7.50	4.50	573	1.02	.57	78.9	22.9	.00	.0	.....	fiscal	12-84	31.8	7.8	.3	200.0	.06	200.0	127.9	12.7	1.3	- 40.9	.24	- 48.9
Pay N Pak N	13.13	.25	1.9	13.38	12.75	17.50	11.50	1,612	1.61	1.47	9.5	11.6	.60	4.6	.....	9 mos.	11-84	81.5	20.0	2.7	- 15.6	.27	- 20.6	243.7	24.3	8.9	14.1	.89	2.3
Payless Cash N	19.25	- .38	- 1.9	19.75	19.00	21.25	13.50	4,581	1.33	2.03	- 34.5	17.3	.16	.8	.....	3 mos.	02-85	254.9	29.1	1.6	- 38.5	.05	- 44.4	254.9	29.1	1.6	- 38.5	.05	- 44.4
Scott Seabd O	1.38	.13	10.0	1.75	1.25	3.00	1.00	20	.11	.09	22.2	13.8	.00	.0	NEW	fiscal	01-85	7.9	3.9	.0	NE	(.02)	NE	37.4	6.6	.2	- 71.4	.10	- 73.7
Scotty's Inc N	13.75	- .63	- 4.3	14.50	13.50	16.38	11.38	1,013	.76	.57	33.3	9.9	.52	3.8	.....	6 mos.	12-84	109.6	9.3	3.6	9.1	.26	.0	211.3	8.0	7.0	7.7	.52	.0
Sears, Roebuck N	32.38	- 1.13	- 3.4	33.75	32.25	37.63	29.75	56,728	1.57	.76	106.6	8.1	1.76	5.4	NEW	fiscal	12-84	11468.1	5.6	563.1	- 3.4	1.54	- 6.7	39177.4	8.7	1454.8	8.4	4.01	5.5
SW Forest Ind N	12.63	- 1.13	- 8.2	14.00	12.00	22.13	12.00	2,533	2.73	1.35	102.2	15.2	.00	.0	.....	fiscal	12-84	189.9	47.3	.9	NE	(.06)	NE	777.4	22.2	14.0	NE	.83	NE
Std Brd Pnt N	20.50	.38	1.9	20.88	19.75	21.25	16.50	3,558	3.19	1.92	66.1	11.0	.54	2.6	NEW	fiscal	01-85	70.7	6.0	4.5	36.4	.40	33.3	314.9	6.1	20.8	11.8	1.87	11.3
Supermkts Gen N	40.25	2.38	6.3	40.25	37.75	40.25	19.75	4,719	2.65	1.04	154.8	13.6	.42	1.0	.....	fiscal	01-85	1336.1	46.0	22.1	62.5	1.25	62.3	4346.7	23.6	52.4	28.7	2.95	28.3
Wolohan Lumber M	6.25	.00	.0	6.50	6.13	7.00	4.00	1,153	1.97	1.18	66.9	13.9	.16	2.6	.....	fiscal	12-84	36.2	27.0	.8	300.0	.14	250.0	139.2	23.8	2.6	100.0	.45	95.7
Wholesalers																													
Lewis Palmer M	8.63	.13	1.5	9.13	8.13	9.75	7.09	501	1.34	1.39	- 3.6	13.3	.28b	3.2	.....	6 mos.	07-84	40.3	19.9	.5	- 16.7	.15	- 21.1	69.4	17.0	.8	14.3	.25	- 7.4
Manufacturers																													
Allegheny Int N	27.00	- .13	- .5	27.13	26.88	28.75	18.75	1,349	1.28	1.00	28.0	NE	1.40	5.2	.....	fiscal	12-84	354.1	- 44.0	(17.6)	- 100.0	(2.53)	- 100.0	2115.3	- 9.9	14.9	- 47.3	(2.51)	NE
Am Standard N	28.75	- .63	- 2.1	30.63	27.75	35.38	22.88	6,465	1.66	.98	69.4	9.4	1.60	5.6	.....	fiscal	12-84	862.4	50.1	30.8	71.1	.78	20.0	3214.5	47.4	114.9	83.5	3.07	35.2
Armstrng Wrld N	34.25	1.50	4.6	35.25	32.13	38.00	22.88	7,185	3.01	1.61	87.0	9.0	1.20	3.5	.....	fiscal	12-84	382.4	7.4	18.8	43.5	.79	51.9	1569.2	9.0	92.2	46.1	3.79	49.8
Black & Decker N	21.25	- .13	- .6	21.50	21.00	26.88	17.25	14,755	2.93	1.84	59.2	10.8	.64	3.0	.....	3 mos.	12-84	503.0	40.5	29.0	8.6	.57	1.8	503.0	40.5	29.0	8.6	.57	1.8
Certain-teed N	23.63	1.13	5.0	24.50	22.63	27.13	15.75	1,661	.88	.78	12.8	11.1	.70	3.0	NEW	3 mos.	03-85	252.9	- 9.3	8.2	- 9.9	.41	- 8.9	252.9	- 9.3	8.2	- 9.9	.41	- 8.9
Champ Intl N	21.25	.25	1.2	21.63	20.00	26.75	16.88	26,108	2.82	1.51	86.8	NE	.40	1.9	.....	fiscal	12-84	1690.4	56.7	(115.4)	- 100.0	(2.14)	- 100.0	5121.1	20.1	(6.0)	- 100.0	(.36)	- 100.0
Clopay Corp A	26.00	- 1.50	- 5.5	27.38	24.63	27.75	13.63	326	2.71	.91	197.8	12.9	.16	.6	.....	fiscal	12-84	36.4	13.8	.9	28.6	.76	40.7	134.0	13.0	2.5	66.7	2.02	68.3
DeSoto Inc N	33.75	- .13	- .4	33.75	32.00	37.88	26.75	393	.83	.46	80.4	11.0	1.40	4.1	NEW	3 mos.	03-85	93.0	4.8	.8	- 77.8	.17	- 73.8	93.0	4.8	.8	- 77.8	.17	- 73.8
Emhart Corp N	28.13	- .75	- 2.6	29.25	28.00	32.25	24.53	2,242	.81	.59	37.3	8.6	1.40b	5.0	.....	fiscal	12-84	448.2	.7	25.6	- 10.5	.69	- 33.0	1794.5	6.5	90.4	7.2	3.27	6.9
Georgia-Pacific N	23.13	.50	2.2	23.75	22.00	27.38	18.00	22,069	2.15	1.43	50.3	23.8	.80	3.5	NEW	fiscal	12-84	1766.0	7.6	(233.0)	- 100.0	(.74)	- 100.0	6682.0	3.3	(15.0)	- 100.0	.97	.0
Insilco Corp N	18.88	- .38	- 1.9	19.63	18.75	20.72	13.31	1,973	1.11	.65	70.8	10.4	1.00b	5.3	.....	fiscal	12-84	180.9	12.1	7.3	5.8	.40	5.3	786.9	16.7	33.0	- 3.8	1.82	- 4.2
La Pacific N	20.38	.25	1.2	21.38	19.50	24.75	16.50	8,031	2.33	.85	174.1	16.6	.78b	3.8	.....	fiscal	12-84	283.7	- 3.0	21.0	195.8	.64	204.8	1230.0	11.6	42.2	51.3	1.23	50.0
MacMilln Bldel N	18.63	.00	.0	18.88	18.50	23.97	16.84	271	.09	.05	80.0	NE	.00a	.0	NEW	fiscal	12-84	578.5	11.0	24.0	77.8	.58	87.1	2127.6	4.1	19.3	589.3	(.20)	NE
Manville Cp N	7.13	- .75	- 9.5	8.13	6.88	11.25	5.50	7,066	2.94	2.38	23.5	3.3	.00	.0	.....	fiscal	12-84	472.6	9.6	18.2	1416.7	.50	NE	1873.5	8.3	77.2	14.9	2.18	23.9
Masco Corp N	29.25	.25	.9	30.25	28.63	33.50	22.50	5,614	.99	.60	65.0	14.6	.56	1.9	.....	fiscal	12-84	214.7	- 20.9	21.7	- 27.2	.33	- 35.3	1019.7	- 3.8	115.9	8.7	2.00	8.7
Nat'l Gypsum N	39.50	- 4.50	- 10.2	44.63	39.50	45.25	27.00	3,301	2.12	1.48	43.2	5.8	2.00	5.1	.....	fiscal	12-84	429.2	38.7	25.2	37.0	1.62	45.9	1717.5	51.9	106.8	116.6	6.86	127.9
Newell Cos N	15.88	- .63	- 3.8	16.75	15.38	19.00	13.25	331	.39	.43	- 9.3	9.8	.50	3.1	.....	fiscal	12-84	89.8	24.5	4.2	16.7	.46	12.2	308.4	30.2	14.2	9.2	1.62	6.6
Owens Corning N	31.50	- .75	- 2.3	32.88	30.75	37.00	25.13	8,522	2.88	1.18	144.1	7.6	1.40	4.4	NEW	3 mos.	03-85	678.0	- 2.4	28.0	35.3	.95	35.7	678.0	- 2.4	28.0	35.3	.95	35.7
Pope & Talbot N	19.25	- .25	- 1.3	19.75	18.63	20.00	15.00	260	.43	.32	34.4	NE	.80	4.2	NEW	fiscal	12-84	78.9	6.2	(4.7)	- 100.0	(.79)	- 100.0	320.0	11.9	(.6)	- 100.0	(.10)	- 100.0
Potlatch Cp N	34.25	2.13	6.6	34.88	31.75	38.13	25.75	3,987	2.59	.99	161.6	12.2	1.56	4.6	.....	fiscal	12-84	236.1	1.2	10.0	- 1.0	.58	16.0	993.9	9.6	49.6	22.5	2.80	37.9
Sherwin-Wms N	34.00	1.50	4.6	34.25	31.50	35.25	24.00	3,922	1.74	1.05	65.7	12.0	.92	2.7	.....	fiscal	12-84	501.5	6.8	9.1	24.7	.41	17.1	2075.2	5.2	65.0	17.3	2.84	22.4
Stanley Works N	28.13	.50	1.8	29.25	27.63	30.38	19.50	7,795	2.89	.96	201.0	10.8	.96	3.4	.....	fiscal	12-84	306.0	16.3	22.4	7.2	.81	8.0	1158.4	17.8	72.4	36.6	2.60	35.4
Thos Inds N	16.38	.25	1.6	16.38	15.88	18.88	12.38	169	.20	.25	- 20.0	8.8	.62b	3.8	.....	fiscal	12-84	77.1	30.7	3.9	11.4	.46	12.2	291.7	31.4	15.9	39.5	1.87	29.0
Triangle Pac N	28.00	- 1.00	- 3.4	28.88	27.00	31.25	20.75	3,678	9.05	3.07	194.8	8.5	1.00	3.6	.....	fiscal	12-84	63.1	7.5	2.9	.0	.71	1.4	270.6	19.8	13.6	19.3	3.30	17.9
USG Corp N	32.13	- 1.63	- 4.8	35.50	32.00	35.63	22.50	8,191	2.48	1.76	40.9	5.7	1.68	5.2	.....	fiscal	12-84	610.6	40.1	41.8	47.7	1.24	47.6	2318.6	43.9	187.1	133.0	5.64	136.0
Walter, Jim N	32.50	- 1.13	- 3.3	34.50	32.50	37.00	22.00	3,780	1.74	1.35	28.9	6.7	1.40	4.3	.....	6 mos.	02-85	526.3	- 6.8	15.0	30.4	.69	32.7	1084.6	- 3.9	42.1	24.2	1.93	24.5
Waxman Ind M	9.63	.13	1.3	10.00	9.25	12.69	2.91	2,880	11.33	3.33	240.2	13.4	.08	.8	.....	6 mos.	12-84	20.4	121.7	.5	150.0	.20	233.3	40.9	109.7	1.2	200.0	.47	213.3
Weyerhaeuser N	28.88	.88	3.1	29.38	27.50	34.00	25.00	21,459	1.65	.88	87.5	19.0	1.30	4.5	.....	fiscal	12-84	1407.8	11.7	27.4	- 60.9	.16	- 67.3	5549.7	13.7	226.2	10.4	1.52	11.8

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend

b—Indicates cash plus stock dividend when applied to dividend amount column

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

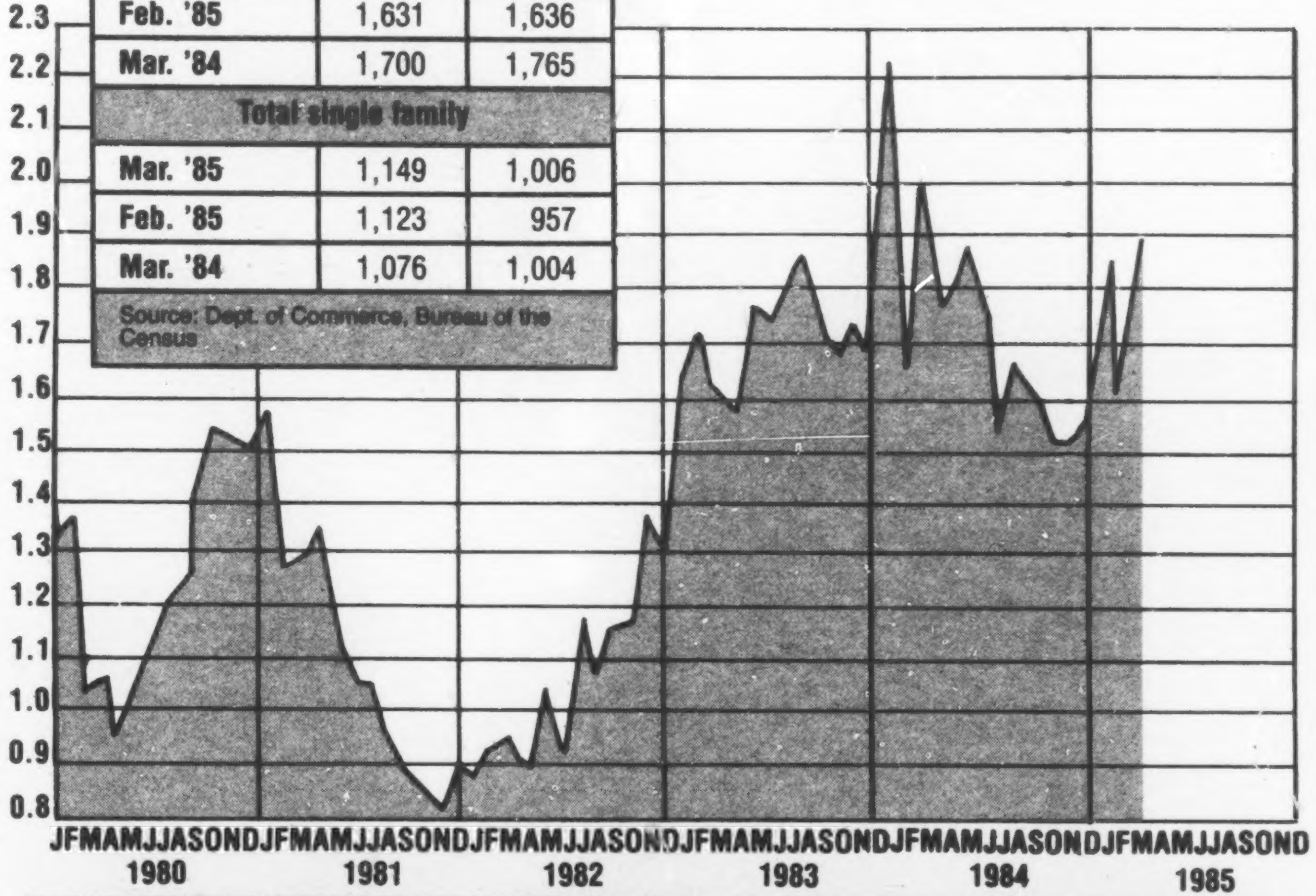
HOUSING WATCH

U.S. housing starts

Seasonally adjusted annual rates

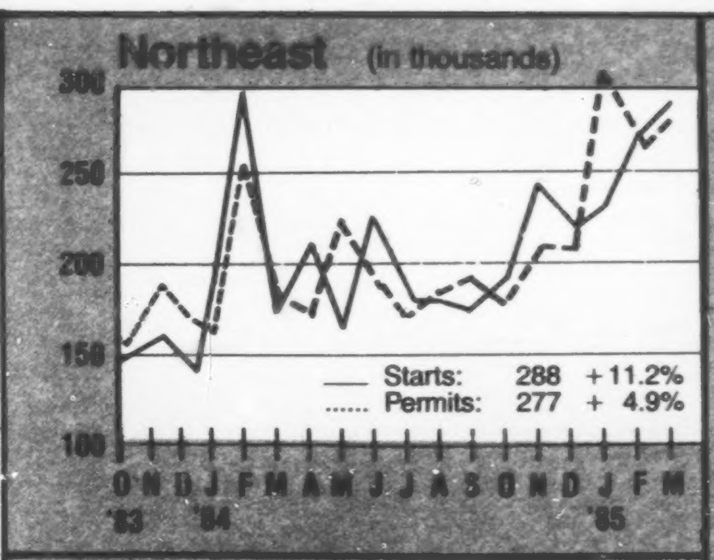
TOTAL (in thousands)	Starts	Permits
Mar. '85	1,895	1,814
Feb. '85	1,631	1,636
Mar. '84	1,700	1,765
Total single family		
Mar. '85	1,149	1,006
Feb. '85	1,123	957
Mar. '84	1,076	1,004

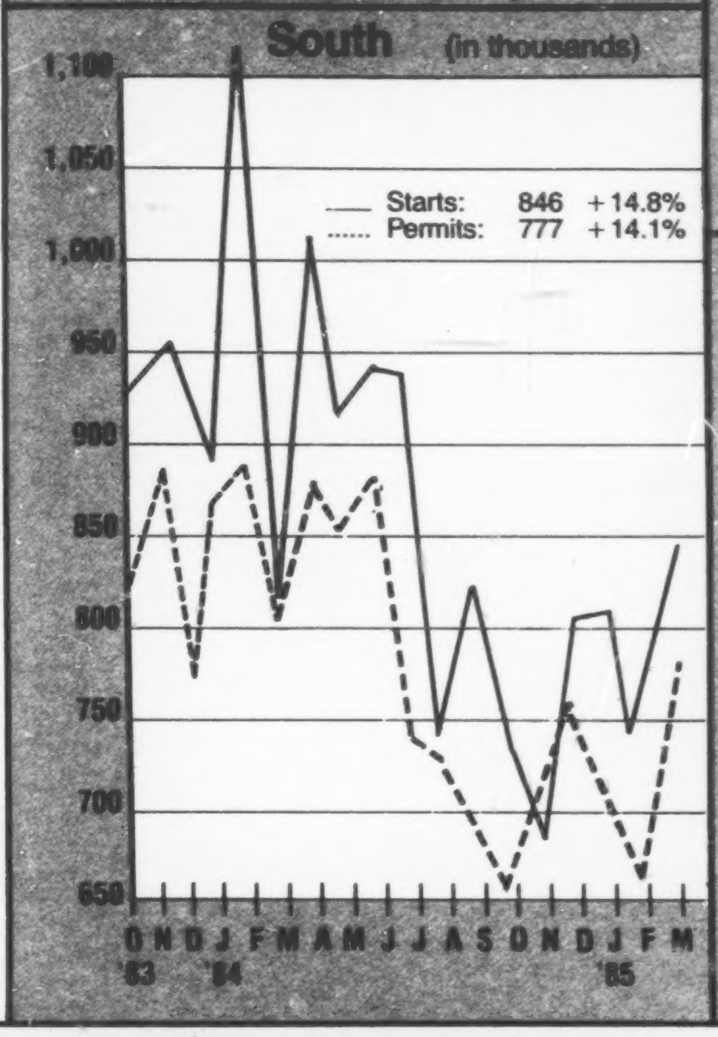
Source: Dept. of Commerce, Bureau of the Census

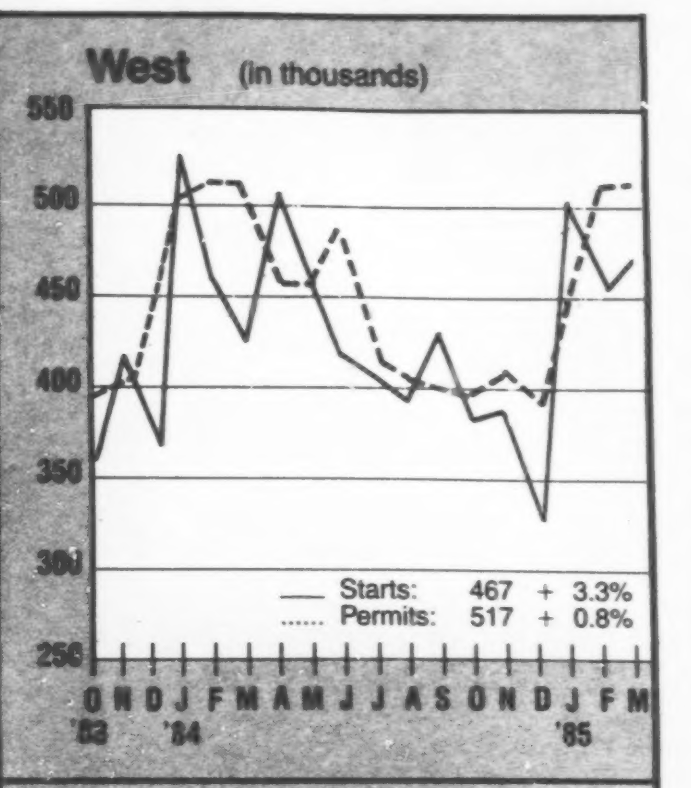


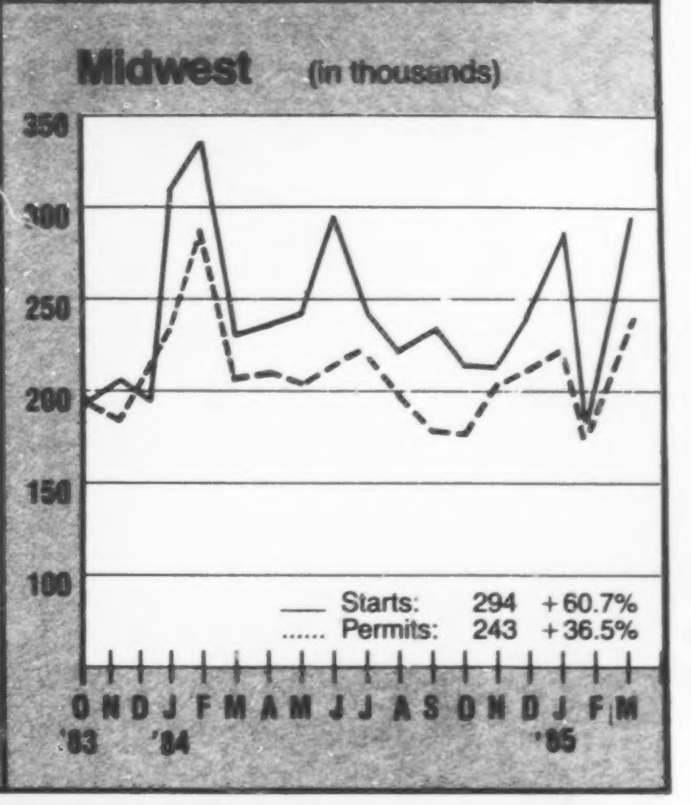
Housing starts jumped 16.3% in March to 1.89 million units, seasonally adjusted, according to the Dept. of Commerce, the highest level for 11 months. This follows a slow February when revised figures show 1.63 million units were started, an 11.8% drop from January.

Weather improved in March, spurring building activity and multifamily construction soared 46.9% from February to March.









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March starts climb by 16.2%

NATIONAL REPORT — Housing construction rose by 16.2% in March to a seasonally adjusted rate of 1.89 million units, according to the Dept. of Commerce. This was the highest level since April 1984 when 1.94 million units were started.

The March boom in construction follows a slow February when poor weather halted building activity. Revised figures show an 11.8% fall in starts in February from the previous month, to 1.63 million units, seasonally adjusted.

Although part of the improvement in March's housing starts was due to good building weather, multifamily building accounted for most of the change as builders concentrated on rental construction before the expected tax changes.

Multifamily building increased by 46.9% from February to March when 746,000 multifamily units were begun. Whereas single-family building remained almost the same rising by 2.3% from the previous month to 1.14 million units.

"Multifamily building showed great strength in March," said Gopal Ahluwalia, senior economist at the National Assn. of Home Builders. "Many people still cannot afford housing and rental apartments are in great demand particularly in areas of good employment like the Midwest and Northeast."

Although all regions experienced an increase in building activity, the first time since April 1984, the greatest increase, 60.7%, came in the Midwest which rose from 177,000 units, seasonally adjusted, in February to 294,000 units in March. By far the greatest part of this increase was due to multifamily building, which, for the first quarter of 1985, represented 37.5% of all housing constructed compared with 25.7% in the same quarter last year.

The Northeast is another area where multifamily construction is booming, particularly in New England, an area of high tech industries and growing population. Here house prices have sharply increased in recent months and young people cannot afford, or chose not to buy, single family housing.

NLBMDA meeting focuses on growing deficit

By Linda Breggin
NHCN Washington Correspondent

WASHINGTON — Widespread concern over the deepening Federal budget deficit peppered an often heated debate over key Reagan Administration spending cuts during the recent National Lumber and Building Material Dealers Assn. annual "Conference with Congress" in Washington.

Although the majority of NLBMDA dealers ultimately "voted" to oppose Treasury Department proposals to reduce Government programs that promote housing construction, a surprisingly large share of the delegates to this year's Capitol Hill conference, March 19 to 21, called on the association to look beyond special interest considerations and support Administration budget cuts even if they hurt.

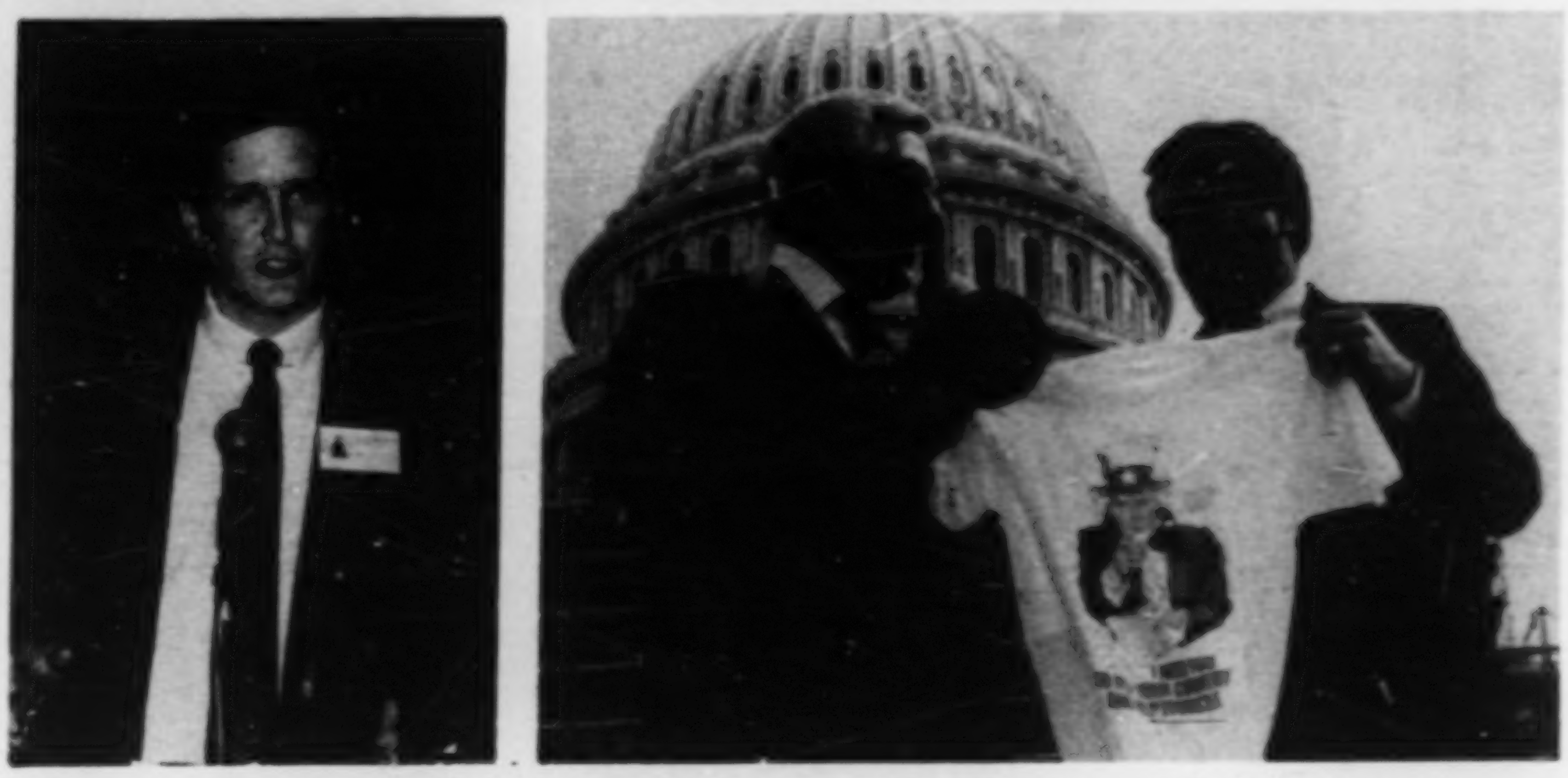
Virginia building materials dealer Howard Luck, for one, urged NLBMDA members not to send a mixed signal to their Congressmen and Senators.

"Our one and only message to Congress should be that we absolutely have to do something about reducing expenditures," he said.

Similar dealer sentiments surfaced repeatedly during a "mock debate" between NLBMDA executive vp John Martin and government affairs director Harry Horrocks, who took turns presenting "pro and con" arguments on controversial Administration proposals to trim Federal spending programs.

Even though most of the Treasury plans to reduce spending in housing-related areas drew opposition from the bulk of the NLBMDA delegates, many dealers at the conference expressed almost across-the-board support for the Administration's budget restraint proposals.

Over one-third of the dealers voted in favor of Treasury's plan to eliminate Federal mortgage revenue bond subsidies despite Horrock's prediction that such a move could affect some 200,000 housing starts annually.



National Lumber and Building Material Dealers Assn. director of government affairs, Harry Horrocks (left), makes a point during mock debates that explored spending reduction proposals. J. P. Bolduc, president of Citizens Against Waste, presents an antiwaste T-shirt to John Martin, executive vp of the NLBMDA, during the group's recent conference with Congress (right).

Horrocks—whose role on this issue was to present the case against the Administration's proposal—underscored the importance of these bonds to the housing construction industry by noting that "the bond program financed about 6% of all new home sales" during the 12-month period ending last July.

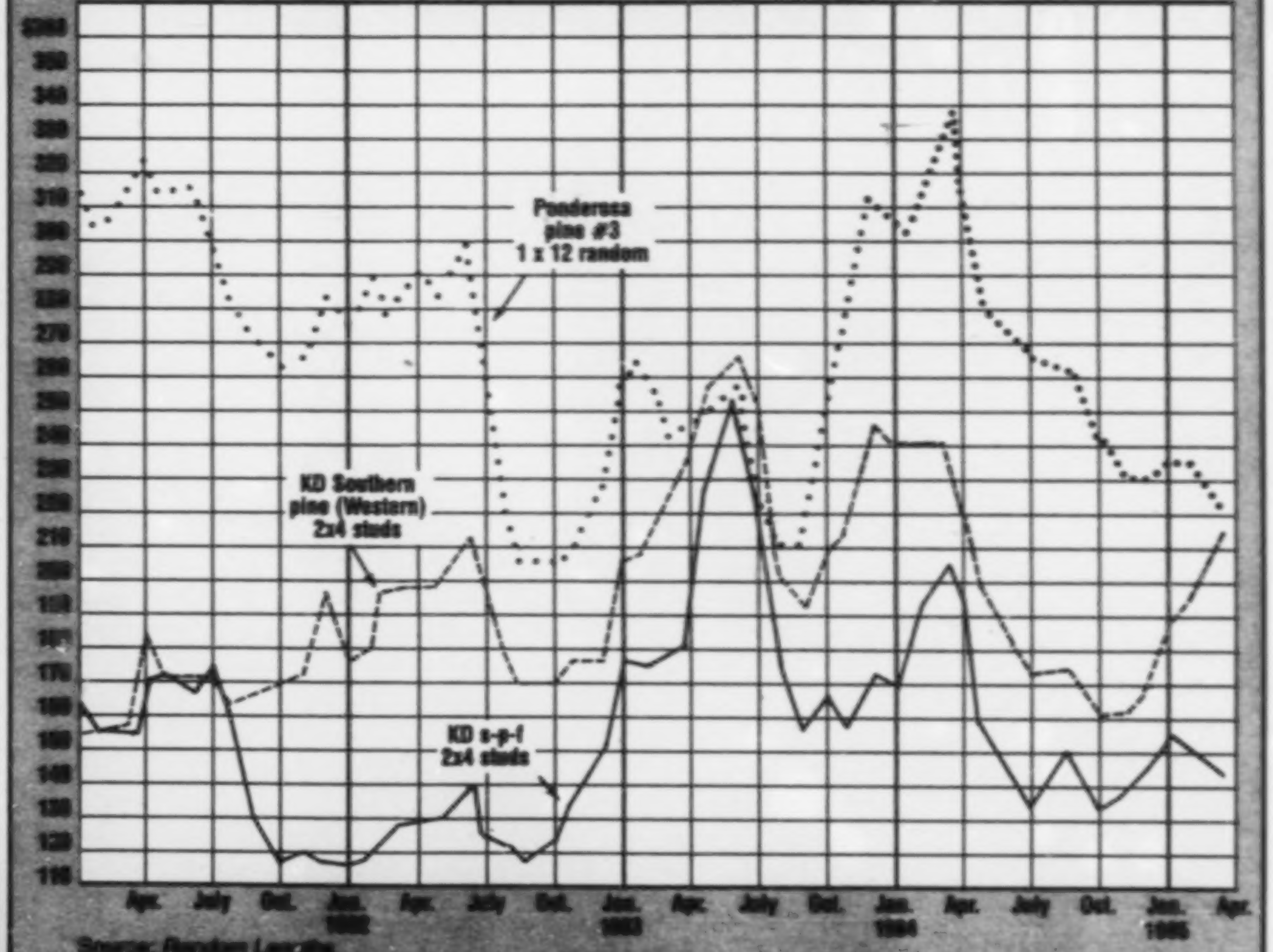
Martin—who was assigned the Treasury Department's side on this issue—hammered away at the impact of these subsidies on the deficit. Noting that "the mortgage bond program is estimated to cause a loss of $498 million of tax revenues," he warned the dealers that "this figure rises to $1 billion per year by 1989."

Other common criticisms of

(Continued on page 121)

Commodity close-up: Studs & boards

Average monthly mill prices



Source: Random Lengths

Lumber prices continued to show mixed results in March. KD southern pine (western) continued its climb to $212 per thousand board feet, up from February's figure of $194.

A thousand board feet of s-p-f studs fell again, to $146 in March, off from February's $157 price. Ponderosa pine #3 1X12's declined sharply, to $221 per thousand board feet. In February, the ponderosa pine boards were at $258 per thousand board feet.

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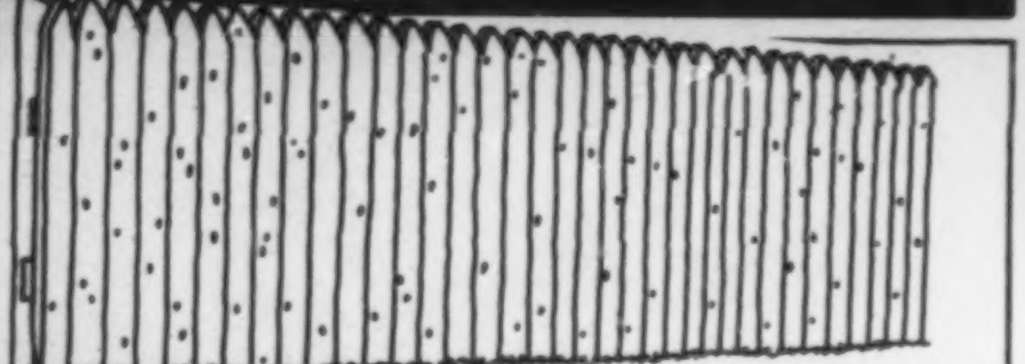

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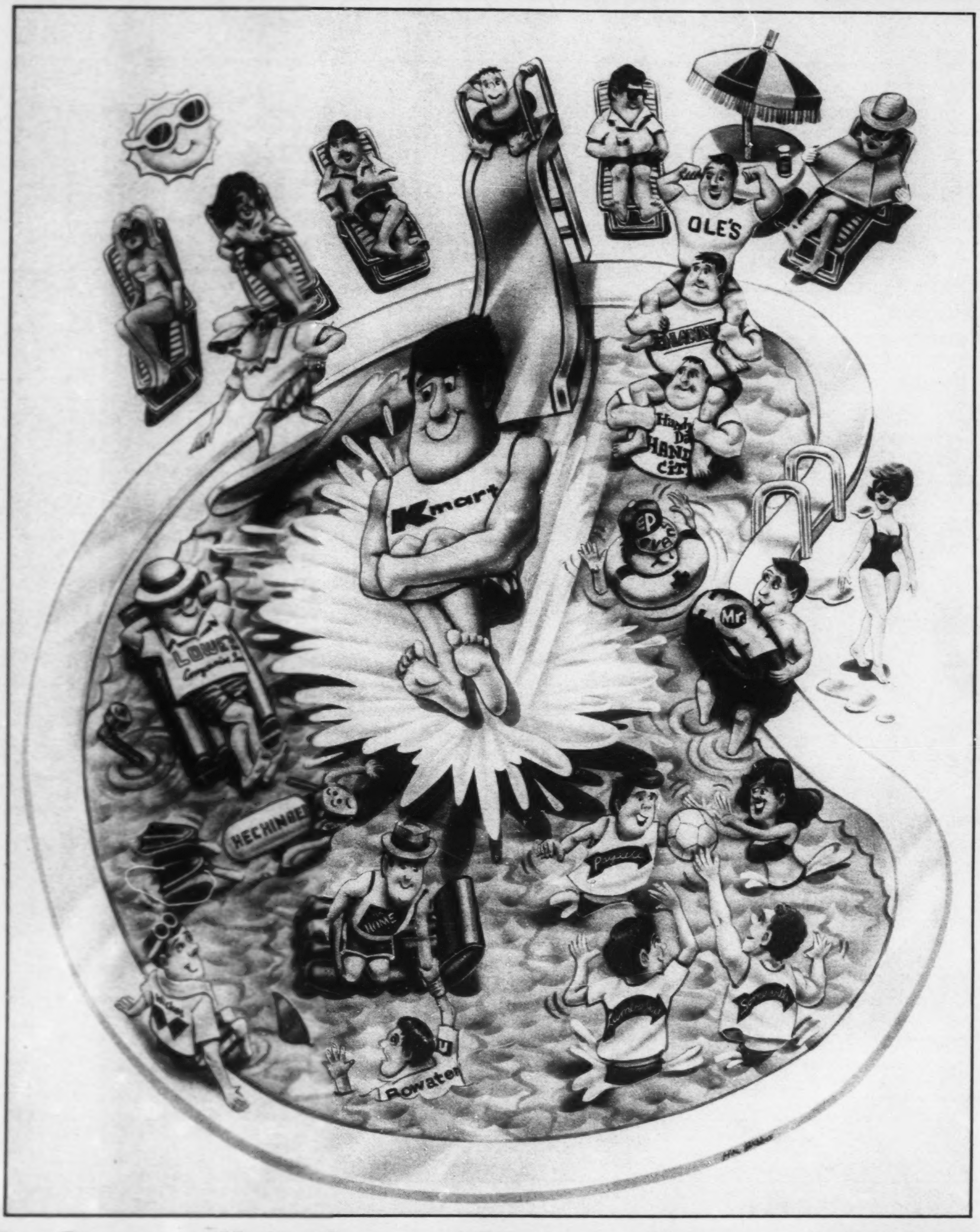
National Home Center News

THE NHCN ANNUAL REPORT ON THE HOME CENTER INDUSTRY



1984: Consolidation grips a vibrant industry

K mart's plunge sends ripples

By John Caulfield
NHCN Senior Editor

NATIONAL REPORT — It was the Year of "The Big Paper Shuffle" for a very vibrant home center industry in 1984.

Few, if any, new companies were started out last year, but quite a number of established chains and independents changed hands, as consolidation was rampant and lawyers may have been as busy as merchandisers. The big companies just got bigger; warehouses became more dominant; the Frost Belt was discovered, and the face of the industry was altered radically by the entry of two of retailings' more prominent names.

K mart's $90 million merger with Home Centers of America, now Builders Square, could turn out to be one of the most significant events in the industry's short history. The entry of the nation's second largest retailer into the home improvement business further validates the industry as an investment vehicle. K mart's financial clout, allowing it to expand Builders Square virtually at will, should also have an impact on when, where and by how many stores other dealers expand their own chains.

To a lesser degree, the same is true of Service Merchandise's expansion of the Mr. HOW Warehouse chain it acquired in 1983. It took Mr. HOW from 2 to 12 units in less than 90 days late last year. Early in 1985 the chain bought five Forest City warehouse units in Chicago for $12 million. Service will open another 28 Mr. HOW's this year, and the only thing in the way of more explosive growth is the volatility of the chain's corporate management of late.

With two heavy hitters looking to divide and conquer the industry, several other home centers took the offensive with consolidating tactics of their own. Home Depot spent $40 million for seven Bowater units and immediately put itself on the map in Dallas. Lowe's, the industry's largest company in total sales, made its first major acquisition when it bought 27 Sunbelt Boise Cascade units for $50 million. And, W. R. Grace dug into its pockets to come up with the $40 million needed to merge the 35-unit Ole's Home Centers into its Western Region in southern California.

Further evidence of this industry consolidation was Payless Cashway's completing its $71 million purchase of 14 Prime Home Improvement Centers in Denver, and its $40 million pur-

(Continued on page 26)

THE NHCN TOP 100 TOTAL SALES

RANK		COMPANIES	TOTAL SALES (million $)			DIY SALES (million $)			% DIY		STORES			1984 SELLING AREA (thousand sq. ft.)	
'84	'83		1984	1983	% Change	1984	1983	% Change	'84	'83	'84	'83	'85 (proj.)	Store avg.	Chain total
1	1	**Lowe's**, No. Wilkesboro, N.C. Sku's: 12K avg./19K total; 10,727 employees	$1,689	$1,431	+ 18	878	729	+ 22	52	51	248	238	270	12	2,980
2	2	**W. R. Grace**, New York, 17,000 employees (Including Grace West; Angels, Cashway, Oles, Handy Dan, Denver and West Texas; Central Region: Handy City, Handy Dan and House Works; Channel, Orchard Supply)[1] Sku's: 30K avg./30K total; 17,000 employees. Includes:	1,200	1,025	+ 17	1,140	974	+ 17	95	95	324	286	NA	20-60	12,960
		Central Region, San Antonio	400	381	+ 5	400	381	+ 5	100	100	114	131	NA	NA	NA
		Channel, Whippany, N.J.	395	325	+ 22	395	325	+ 22	100	100	101	98	NA	NA	NA
		Grace West, Pasadena, Calif.	243	194	+ 25	230	184	+ 25	95	95	89	39	NA	NA	NA
		Orchard Supply, San Jose, Calif.	152	125	+ 22	114	94	22	75	75	18	18	21	NA	NA
3	4	**Payless Cashways**, Kansas City, Mo. (Including Payless Cashways, Furrow's Building Materials, Prime Home Improvement Centers, Lumberjack Stores, Wood Bros., Somerville Lumber)[2] Sku's: 13.5K avg./20K total; 12,490 employees	1,176	1,007	+ 17	1,058	957	+ 10	90	95	157	134	171	27	4,000
		Somerville Lumber, Somerville, Mass. Sku's: 42K; 650 employees	62	47	+ 32	53	40	+ 33	85	85	3	2	4	34-56	126
4	3	**Evans Products**, Miami (Including Alamo Enterprises, Grossman's, Hubbard & Johnson, Lindsley, Moore's)	1,070	928	+ 15	909	790	+ 15	85	85	349	345	NA	16-55	7,400
		Alamo Enterprises, San Antonio	40	45	– 11	34	37	– 8	85	85	9	9	NA	NA	NA
		Grossman's, Braintree, Mass.	520	413	+ 26	478	380	+ 26	92	92	178	175	NA	NA	NA
		Grossman's West and Hubbard & Johnson, San Carlos, Calif.	139	125	+ 11	97	90	+ 8	70	70	30	30	NA	NA	NA
		Lindsley, Miami	130	155	– 16	130	155	– 16	100	100	43	43	NA	NA	NA
		Moore's, Roanoke, Va.	250	187	+ 34	170	127	+ 34	68	68	89	88	NA	NA	NA
5	5	**Wickes Cos.**, Santa Monica, Calif. (Including Builders Emporium, Irvine, Calif. and Wickes Lumber, Chicago)	1,058	877	+ 20	605	540	+ 12	57	61	271	282	NA	15	3,973
		Wickes Lumber, Vernon Hills, Ill.	853	688	+ 24	401	310	+ 14	47	51	212	226	NA	9	1,908
		Builders Emporium, Irvine, Calif. Sku's: 20K avg./20K total	204	189	+ 8	204	189	+ 8	100	100	59	56	63	35	2,065
6	6	**84 Lumber**, Eighty-Four, Pa. Sku's: 4K avg./4K total	750	630	+ 19	451	378	+ 19	60	60	365	374	NA	20	7,300
7	8	**Sutherland**, Kansas City, Mo. (Including House Mart) Sku's: 10K avg./12K total; 2,750 employees	525	426	+ 23	525	426	+ 23	100	100	85	82	89	14-30	1,700
8	9	**Scotty's**, Winter Haven, Fla.[3] Sku's: 9K avg./12.5K total; 5,000 employees	440	399	+ 10	286	271	+ 6	65	68	110	105	118	30-35	3,977
9	14	**The Home Depot**, Atlanta[4] Sku's: 25K avg./25K total; 4,000 employees	433	256	+ 69	433	256	+ 69	100	100	31	19	46	80	2,480
10	10	**Hechinger**, Landover, Md. Sku's: 40 avg./40 total; 5,000 employees	405	310	+ 31	405	310	+ 31	100	100	44	41	54	60	2,640
11	7	**Boise Cascade**, Boise, Idaho[5] Sku's: 10-12K avg./35K total	390	440	– 11	147	176	– 17	37	40	77	85	35-40	12-15	1,100
12	13	**Rickel**, South Plainfield, N.J. Sku's: 25K avg./25K total; 4,000 employees	347	275	+ 26	347	275	+ 26	100	100	40	36	43	48	1,920
13	12	**Lanoga**, Seattle (Including Lumbermen's, Spenard's, United Building Centers, Fish, Peavey)[6] Sku's: 17,500 avg./17,500 total; 2,200 employees	344	303	+ 14	155	138	+ 12	45	45	148	127	NA	5-30	950
		Lumbermen's, Shelton, Wash.	60	52	+ 15	—	34	—	—	65	14	14	NA	10	140
		Spenard's, Anchorage	148	136	+ 9	—	41	—	—	65	11	11	NA	NA	NA
		United Building Centers, Winona, Minn.	136	115	+ 18	—	63	—	—	55	123	102	NA	5	615
14	11	**Diamond Lumber**, Sacramento, Calif. Sku's: 12K avg./12K total; 1,300 employees	330	306	+ 8	69	46	+ 50	20	15	96	97	96	6	576
15	16	**Pay 'N Pak**, Kent, Wash. Sku's: 15K avg./15K total; 1,475 employees	305	250	+ 22	305	250	+ 22	100	100	100	100	NA	18-56	2,240
16	18	**Menards**, Eau Claire, Wis. Sku's: 50K avg.	285	228	+ 25	242	194	+ 25	85	85	21	21	NA	50	1,050
17	17	**Handyman**, San Diego, Calif.[7] Sku's: 25K avg.	270	240	+ 13	270	240	+ 13	100	100	55	77	NA	40	2,200
18	21	**West Building Materials**, Atlanta Sku's: 16-20K avg./20K total; 2,650 employees	245	198	+ 24	98	69	+ 42	40	35	65	65	66	15	1,000
19	15	**Ernst Home Center**, Seattle, Wash. (Including Von Tobel's) Sku's: 30K avg./30K total; 2,100 employees	240	255	– 6	240	255	– 6	100	100	70	72	72	36	2,590
20	20	**Central Hardware**, Bridgeton, Mo. Sku's: 45K avg./45K total; 2,500 employees	230	200	+ 15	230	200	+ 15	100	100	30	30	34	55	1,650
21	NR	**Builders Square**, San Antonio[8] Sku's: 32K avg./32K total; 1,575 employees	190	17	+1,018	152	14	+986	80	80	15	5	43	70	1,050
22	22	**McCoy's Building Supply**, San Marcos, Tex. Sku's: 10K avg.	181	165	+ 10	145	132	+ 10	80	80	58	50	66	16	950
23	23	**Pergament Home Centers**, Melville, N.Y. Sku's: 20K avg./30K total; 2,500 employees	180	160	+ 13	180	160	+ 13	100	100	42	42	47	25	1,100
24	27	**Carter-Jones Lumber**, Kent, Ohio[9] (Including Z + L Lumber)	165	120	+ 38	91	66	+ 38	55	55	142	136	NA	8,000	1,250
25	26	**Forest City**, Cleveland, Ohio[10] Sku's: 30K avg./30K total; 2,000 employees	160	128	+ 25	156	125	+ 25	98	98	22	20	17	55	1,200
26	32	**Homecrafters Warehouse**, Birmingham, Ala. Sku's: 12K avg./30K total; 1,800 employees	156	104	+ 50	78	47	+ 66	50	45	41	36	41	12-70	950
27	24	**Erb Lumber**, Birmingham, Mich. Sku's: 7K avg./10K total; 870 employees	150	137	+ 9	75	69	+ 9	50	50	36	35	36	5-20	420
—	25	**Weyerhaeuser**, Tacoma, Wash. (Including Dixieline, Everitt and Fisher Lumber) Sku's: 15,000 avg./15,000 total; 525 employees	150	130	+ 15	87	83	+ 5	58	64	11	11	11	20	230
		Dixieline Lumber, San Diego	107	80	+ 34	64	56	+ 14	60	70	5	5	5	18	90
		Everitt Lumber, Fort Collins, Colo.	31	40	– 29	15	20	– 33	50	50	4	4	4	27	108
		Fisher Lumber, Santa Monica, Calif.	12	10	+ 20	8	7	+ 14	70	70	2	2	2	16	32
29	30	**Wolohan Lumber**, Saginaw, Mich. Sku's: 7-8K avg./13-15K total; 1,000 employees	139	112	+ 24	81	67	+ 21	58	60	34	35	36	20-45	628
30	38	**Edward Hines Lumber**, Chicago (Including Kindt, Lomira, Wis.)[11] Sku's: 8K avg./9K total; 550 employees	138	83	+ 66	55	42	+ 31	40	50	33	25	35	9	297
31	29	**National Lumber & Supply**, Santa Ana, Calif. Sku's: 30K avg./30K total; 1,000 employees	128	114	+ 12	128	114	+ 12	100	100	15	12	19	60	900
32	31	**O'Malleys**, Phoenix, Ariz. Sku's: 20K avg./30K total; 650 employees	114	110	+ 4	46	39	+ 18	40	35	19	19	19	25	475

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'84	'83		1984	1983	% Change	1984	1983	% Change	'84	'83	'84	'83	'85 (proj.)	Store avg.	Chain total
33	27	**Foxworth-Galbraith Lumber,** Dallas Sku's: 12K; 1,600 employees	110	120	– 8	44	48	– 8	40	40	59	50	NA	12	708
34	35	**Handy Andy Home Improvement Centers,** Gurnee, Ill. Sku's: 25K avg./30K total; 1,100 employees	106	85	+ 25	104	83	+ 25	98	98	15	13	17	55-60	900
35	37	**Knox Lumber,** St. Paul, Minn. Sku's: 17-22 avg./22K total; 850 employees	103	84	+ 23	98	80	+ 23	95	95	10	9	10	30	300
36	39	**Lloyd Home & Building Centers Inc.** Danbury, Conn.[12] Sku's 10K avg./15K total; employees: 870	90	80	+ 13	59	52	+ 13	65	65	39	39	NA	10	500
37	34	**Busy Beaver,** Pittsburgh, Pa.[13] Sku's: 10-15K avg./24K total; 522 employees	83	87	– 5	62	65	– 5	75	75	24	30	11	20	500
38	45	**Anderson Lumber Co.,** Ogden, Utah Sku's: 15K avg./15K total; 500 employees	80	65	+ 23	26	21	+ 24	33	33	22	22	24	4-31	132
—	41	**Copeland Lumber Yards,** Portland, Ore. 600 employees	80	80	0	44	44	0	55	55	80	80	80	5	400
—	43	**Hill-Behan Lumber,** St. Louis Sku's: 13K avg./13K total; 850 employees	80	75	+ 7	40	38	+ 5	50	50	34	32	34	12	408
—	46	**The Terry Companies,** Tarzana, Calif. Sku's: 10K avg./10K total; 350 employees	80	65	+ 23	16	12	+ 33	20	18	10	9	NA	6	60
42	35	**Great Plains Supply,** St. Paul, Minn. Sku's: 10-12K avg./20K total; 600 employees	78	85	– 8	50	51	– 2	64	60	82	92	41	4	328
43	44	**Meeks Building Centers,** Springfield, Mo.[14]	75	73	+ 3	30	22	+ 36	40	30	21	20	23	11-30	675
44	42	**Lampert Lumber,** St. Paul, Minn. Sku's: 7K avg./30K total; 550 employees	74	76	– 3	49	50	– 2	66	66	47	47	47	11	494
45	NR	**The Home Club,** Fullerton, Calif. Sku's: 20K avg./20K total; 810 employees	70	10	+ 600	70	10	+600	100	100	6	2	12	100	600
—	46	**Seacoast Building Centers,** Conway, S.C. Sku's: 12K avg./12K total; 467 employees	70	65	+ 8	18	16	+ 8	25	25	12	10	NA	2-45	240
—	49	**The Strober Brothers,** Brooklyn, N.Y. Sku's: 8K avg./10K total; 225 employees	70	61	+ 15	25	21	+ 15	35	35	8	8	10	3	24
48	51	**Valu Home Centers,** Buffalo, N.Y. Sku's: 12K avg./15K total; 500 employees	65	58	+ 12	65	58	+ 12	100	100	22	22	23	25	550
49	48	**Neiman-Reed's Lumber City,** Van Nuys, Calif. Sku's: 22K avg./22K total; 700 employees	63	63	0	57	60	– 5	90	95	12	12	14	30-45	420
50	40	**Big Tin Barn,** Diboll, Tex. 200 employees	60	84	– 29	12	13	– 8	20	15	6	6	NA	2-8	36
—	54	**Westlake Ace Hardware,** Moberly, Mo. Sku's: 21K avg./21K total; 550 employees	60	50	+ 20	55	46	+ 20	91	91	28	26	33	22	535
52	65	**M. G. Building Materials,** San Antonio, Tex. Sku's: 12K avg./12K total; 100 employees	58	40	+ 45	23	16	+ 44	40	40	2	2	3	10	20
53	53	**A. C. Houston Lumber,** Wichita, Kan. Sku's: 15K avg./20K total; 325 employees	57	52	+ 10	20	18	+ 11	35	35	11	11	11	4-20	120
—	NR	**Stripling Blake Lumber Co.,** Austin, Tex. Sku's: 12K avg./14K total; 365 employees	57	42	+ 36	6	5	+ 20	10	12	1	1	1	30	30
55	63	**Calcasieu Lumber,** Austin, Tex. Sku's: 13K avg./13K total; 275 employees	56	45	+ 24	1	0.4	+150	2	1	1	1	1	10	10
56	54	**Alexander Lumber,** Aurora, Ill. 270 employees	55	50	+ 10	22	18	+ 22	40	35	56	60	54	3-24	350
—	54	**Courtesy Home Centers,** Mount Prospect, Ill. Sku's: 25-35K avg./35K total; 625 employees	55	50	+ 10	55	50	+ 10	100	100	5	4	6	80-90	425
58	59	**The Peter Kuntz Co.,** Dayton, Ohio Sku's: 5-20K avg./20K total; 400 employees	52	48	+ 8	26	24	+ 8	50	50	24	24	25	15-30	225*
—	73	**Brown-Graves,** Akron, Ohio[15] 364 employees	52	45	+ 16	8	7	+ 15	15	15	5	4	5	11	55
—	NR	**Mr. HOW Warehouse,** Margate, Fla. Sku's: 30K avg./30K total	52	15	+ 247	49	14	+247	95	95	12	2	40	75	900
—	54	**Star Lumber,** Wichita, Kan. Sku's: 33K avg./33K total; 400 employees	52	50	+ 4	22	21	+ 5	43	41	3	3	3	29-44	108
62	95	**Mr. Goodbuys,** Philadelphia Sku's: 20K avg./20K total; 600 employees	50	26	+ 92	50	26	+ 92	100	100	6	4	11	60	360
—	61	**Stambaugh-Thompson,** Youngstown, Ohio Sku's: 21K avg./21K total; 700 employees	50	47	+ 6	50	47	+ 6	100	100	20	20	21	20-34	420
—	76	**Williams Bros. Lumber,** Atlanta[16] Sku's: 11K avg./14K total; 425 employees	50	35	+ 43	20	18	+ 12	40	50	9	9	10	12	120
—	NR	**Wolf Supply,** York, Pa. Sku's: 5K avg./10K total; 150 employees	50	36	+ 39	18	13	+ 38	35	35	22	22	24	2	45
66	72	**Chase-Pitkin,** Rochester, N.Y. Sku's: 40K avg./40K total; 650 employees	49	39	+ 26	47	37	+ 26	95	95	11	11	12	35	385
67	49	**Walker-Kurth Lumber,** Houston Sku's: 25K avg./25K total; 250 employees	48	55	– 15	24	28	– 14	50	50	5	6	5	20	100
68	59	**Cox Lumber Co.,** St. Petersburg, Fla. Sku's: 8K avg./10K total; 400 employees	47	40	+ 18	9	8	+ 17	20	20	12	11	14	15	180
69	64	**Causeway Lumber,** Fort Lauderdale, Fla. Sku's: 8K avg./8K total; 360 employees	43	37	+ 16	5	4	+ 20	11	10	3	3	3	5	15
—	70	**Goodman's Lumber,** San Francisco	43	38	+ 13	43	38	+ 13	100	100	5	5	5	7-100	200
—	70	**Warners True Value,** St. Paul, Minn.	43	38	+ 13	41	36	+ 14	95	95	23	23	23	20	460
72	65	**Church's Lumber Yards,** Utica, Mich. Sku's: 12.5K avg./10-15K total; 200 employees	40	36	+ 11	30	27	+ 11	75	75	12	12	14	10-25	198
—	65	**Fullerton Lumber,** Minneapolis 400 employees	40	40	0	16	16	0	40	40	46	50	42	3-100	600
—	74	**The Paty Co.,** Piney Flats, Tenn. Sku's: 13.5K avg./13.5K total; 325 employees	40	35	+ 14	24	19	+ 25	60	55	6	6	6	14	84
75	76	**Brewster's Lumber,** Providence, R.I. Sku's: 10K avg./10K total; 200 employees	39	35	+ 11	23	21	+ 11	60	60	4	4	4	17	68
76	82	**Mid-Cape Home Centers,** Orleans, Mass. Sku's: 17K avg./20K total; 219 employees	38	31	+ 23	10	8	+ 25	25	25	9	9	9	4-27	85
—	76	**Scott's,** Linthicum, Md. Sku's: 15K avg./15K total; 400 employees	38	35	+ 9	37	34	+ 9	98	98	17	17	18	19-40	450
78	89	**Seigle's Home & Building Centers,** Elgin, Ill.[17] Sku's: 14K avg./18K total; 242 employees	37	29	+ 28	13	12	+ 8	35	40	5	5	7	17	88
79	81	**Ganahl Lumber Co.,** Anaheim, Calif. Sku's: 25K avg./25K total; 240 employees	36	34	+ 6	7	7	0	19	20	4	3	NA	7	30
—	65	**Lampert Yards,** St. Paul, Minn. Sku's: 15K avg./15K total; 285 employees	36	40	– 10	22	24	– 8	60	60	30	31	30	4-6	150
81	82	**Crissy-Fowler Lumber Co.,** Colorado Springs Sku's: 23K avg./23K total; 155 employees	32	30	+ 7	5	5	0	15	16	1	1	1	30	30
—	91	**Curtis Lumber,** Ballston Spa, N.Y. Sku's: 10K avg./11K total; 145 employees	32	28	+ 14	24	18	+ 33	75	65	6	6	7	7-48	97

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'84	'83		1984	1983	% Change	1984	1983	% Change	'84	'83	'84	'83	'85 (proj.)	Store avg.	Chain total
—	74	**Elk Supply Co.**, Clinton, Okla. Sku's: 6-15K avg.; 110 employees	32	36	− 11	26	29	− 10	80	80	18	18	18	10-12	200
—	86	**Plywood Minnesota Inc.**, Minneapolis Sku's: 5K avg./5K total; 225 employees	32	27	+ 19	24	22	+ 9	75	80	10	9	12	35	350
85	88	**Martin Home Centers**, Alexandria, La. Sku's: 10K avg./10K total; 175 employees	31	34	− 9	14	12	+ 17	45	35	7	9	7	10	70
86	91	**Babbitt Bros.**, Flagstaff, Ariz. Sku's: 10K avg./12K total; 135 employees	30	28	+ 7	12	11	+ 8	40	40	6	6	6	10	48
—	82	**City Mill**, Honolulu Sku's: 21K avg./21K total; 380 employees	30	30	0	27	27	0	90	90	5	4	5	45	250
—	82	**Eclipse Industries**, St. Louis (Including B & B, Big E)	30	28	+ 7	30	28	+ 7	100	100	8	7	10-12	40	320
—	NR	**M. L. Claster & Sons**, Bellefonte, Pa. Sku's: 5K avg./5K total; 220 employees	30	24	+ 25	18	14	+ 25	60	60	12	12	12	7	84
—	NR	**Hancock Co.**, Casco, Me. Sku's: 12K avg./15K total; 100 employees	30	25	+ 20	14	10	+ 40	45	40	6	5	7	4	24
—	95	**J. T.'s Home & Buildings Centers**, Middletown, R.I. Sku's: 20-25K avg./25K total	30	25	+ 20	11	9	+ 22	35	35	5	5	6	15-35	125
—	93	**Panning Lumber & Supply Co.**, Orlando, Fla. Sku's: 12K avg./12K total; 250 employees	30	27	+ 11	3	2.7	+ 11	10	10	7	6	8	5	35
—	NR	**Rigg's Supply**, Kennett, Mo.	30	28	+ 7	26	24	+ 7	85	85	6	6	7	50	350
—	82	**The T. H. Rogers Lumber**, Oklahoma City Sku's: 10K avg./10K total; 200 employees	30	30	0	20	20	0	65	65	33	32	34	5	180
95	95	**Lezzer Lumber**, Curwensville, Pa. Sku's: 15K avg./15K total; 115 employees	29	26	+ 12	20	18	+ 11	70	70	6	5	6	15	90
96	98	**E. C. Barton & Co.**, Jonesboro, Ark. Sku's: 5K avg./10K total	28	25	+ 12	7	5	+ 40	25	20	27	27	27	5	135
97	82	**Homeowners DIY Centers**, Gardena, Calif. Sku's: 20K avg./20K total; 200 employees	27	30	− 10	27	30	− 10	100	100	4	5	4	40	160
—	82	**Robertson Companies**, Grand Forks, N.D. Sku's: 18K avg./18K total; 175 employees	27	30	− 10	12	14	− 12	45	45	28	31	28	2-20	280
99	NR	**All American Home Centers**, Downey, Calif. Sku's: 70K avg./70K total; 265 employees	25	23	+ 9	25	23	+ 9	100	100	1	1	1	173	173
—	93	**Braver Lumber & Supply Co.**, Detroit (Including Pine Lumber Cashway) Sku's: 8K avg./8K total; 270 employees	25	27	− 7	21	22	− 6	85	85	13	12	13	6-14	117
—	NR	**Budget Power**, Hopkins, Minn. Sku's: 20-22K avg./22K total; 400 employees	25	21	+ 20	24	20	+ 20	95	95	8	7	9	10-12	80
—	98	**Gee Lumber**, Chicago Sku's: 40K avg./40K total; 450 employees	25	25	0	20	20	0	80	80	13	13	13	20-60	400
—	NR	**Sackett & Peters**, Whittier, Calif. Sku's: 37K avg./37K total; 155 employees	25	22	+ 14	25	22	+ 14	99	99	2	2	2	82	165
TOP 10 TOTAL SALES			8,746	7,289	+ 20	6,651	5,631	+ 18	76	77	1,984	1,906	—	—	49,410
TOP 25 TOTAL SALES			12,608	10,624	+ 19	9,478	8,004	+ 18	75	75	2,965	2,869	—	—	70,236
TOP 50 TOTAL SALES			15,020	12,730	+ 18	10,897	9,209	+ 18	73	72	3,663	3,545	—	—	81,411
TOP 100 TOTAL SALES			17,108	14,552	+ 18	12,107	10,257	+ 18	71	70	4,292	4,183	—	—	91,990

Footnotes for NHCN *Top 100—Total Sales*

[1] W. R. Grace (#2)—Total volume number includes pro-rated share of sales from 35 Ole's stores purchased in July 1984. Decline in store count in Central Region reflects restructuring in which certain stores were ceded to the region now called Grace Home Centers West.

[2] Payless Cashways (#3)—In March 1984, Payless acquired two-unit Somerville Lumber, which has since opened another store. The numbers reflect this transaction. Numbers for 1983 are restated to include Somerville sales as well as those of Prime Home Improvement Centers, Wood Bros. and Lumberjack, which were acquired during 1983.

[3] Scotty's (#8)—Scotty's fiscal year ends June 30. Numbers in the chart reflect the calendar year.

[4] The Home Depot (#9)—Numbers include purchase late in 1984 of nine-store Bowater Home Centers.

[5] Boise Cascade (#11)—Reduction in store count projected for 1985 reflects agreement reached in January 1985 to sell 23 units to Lowe's and plans to divest other units as well.

[6] Lanoga (#13)—Lanoga purchased the 23-store Peavey Co., the Minneapolis subsidiary of Con-Agra, in April 1984, which was added to its United Building Centers chain. Lanoga's 1984 totals reflect this transaction. Its 1983 sales volume does not, but Peavey's $50 million in 1983 will be added to the industry subtotals at the bottom of the chart.

[7] Handyman (#18)—Total volume number reflects the sale of 15 of 21 Texas and Oklahoma City Homer's stores in August 1984.

[8] Builders Square (#21)—Founded as Home Centers of America in February 1983, with stores called Home-Pro Warehouse, the chain was acquired by K mart in July 1984 and the store name changed to Builders Square.

[9] Carter-Jones Lumber (#24)—Acquired six-store Z&L Lumber of Pittsburgh in July 1984. Numbers reflect that transaction.

[10] Forest City (#25)—In February 1985 Forest City sold its five Chicago units to Mr. HOW Warehouse. The total volume numbers here are for 1984 and do not reflect that transaction.

[11] Edward Hines Lumber (#30)—Total volume number reflects the April 1984 purchase of Kindt, Lomira, Wis., with seven stores.

[12] Lloyd Home and Building Centers (#36)—Previously listed as Lloyd Lumber, part of American Maize Products. Lloyd, still part of American Maize, initiated a name change in late 1983 aimed at bringing all units, including those called Briggs and Buchanan, under the same banner.

[13] Busy Beaver (#37)—Busy Beaver sold 14 of its 24 units to former Busy Beaver president Jack Fagen in January 1985. The figures here do not reflect that transaction.

[14] Meeks Building Centers (#43)—Formerly Charles C. Meeks Lumber until a name change about a year ago.

[15] Brown-Graves (#58)—Total sales are for retail division only and do not include the company's wholesale operation.

[16] Williams Bros. (#62)—Total sales numbers include gains from expanded wholesale operation.

[17] Seigle's Home and Building Center (#78)—Formerly called Elgin Lumber & Supply Co., until a name change in November 1984. No change in management, however.

How the Top 100 line-up

Subsidiaries are ranked by parent companies
NR = not ranked

Companies	DIY Rank	Total Sales Rank
Alamo Enterprises	3	4
Alexander Lumber	74	56
All American Home Center	63	99
Anderson Lumber	59	38
Babbitt Bros	NR	86
Bailey Lumber	91	NR
Big Tin Barn	NR	50
Boise Cascade	21	11
Braver Lumber	77	99
Brewster's	71	75
Brown-Graves	NR	58
Budget Power	66	99
Builderama	89	NR
Builder's Emporium	5	5
Builders Square	20	21
Busy Beaver	35	37
Calcasieu Lumber	NR	55
Carter-Jones	27	24
Causeway Lumber	NR	69
Central Hardware	16	20
Channel Home Centers	1	2
Chase-Pitkin	46	66
Church's Lumber Yards	54	72
City Mill	57	86
M. L. Claster & Sons	86	86
Copeland Lumber Yards	48	38
Courtesy Home Centers	38	56
Cox Lumber	NR	68
Crissy Fowler	NR	81
Curtis Lumber	66	81
Diamond Lumber	33	14
Dixieline	30	28
E. C. Barton & Co.	NR	96
Eclipse Industries	54	86
84 Lumber	7	6
Elk Supply	59	81
Erb Lumber	30	27
Ernst Lumber	15	19
Evans Products	3	4
Everitt Lumber	30	28
Fisher Lumber	30	28
Forest City	18	25
Foxworth-Galbraith	48	33
Fullerton Lumber	91	72
Ganahl Lumber	NR	79
Gee Lumber	78	99
Goodman Lumber	50	69
W. R. Grace	1	2
Grace Central Region	1	2
Grace West	1	2
Great Plains Supply	41	42
Grossman's	3	4
Grossman's West	3	4
Hacienda Home Centers	94	NR
Hancock Co	97	86
Handy Andy Home Improvement Centers	24	34
Handyman	13	18
Hechinger	9	10
Hill-Behan	52	38
Edward Hines Lumber	38	30
The Home Depot	8	9
HomeClub	32	45
Homecrafters	29	26
Homeowners DIY Centers	57	97
Peter Kuntz	59	58
A. C. Houston Lumber	78	53
Hubbard & Johnson	3	4
Hughes Lumber	84	NR
J. T. Home & Building Centers	NR	86
Knox Lumber	25	35
Lampert Lumber	44	79
Lampert Yards	74	44
Lanoga	19	13
Levy's Lumber & Building	94	NR
Lezzer Lumber	78	95
Lindsley	3	4
Lloyd Home & Building Centers	36	36
Lowe's	4	1
Lumbermen's	19	13
Martin Home Centers	97	85
McCoy's Building Supply Centers	54	43
Meeks Building Centers	54	43
Menards	14	16
Mid-Cape Centers	NR	76
M. G. Building Materials	71	52
Moore's	3	4
Mr. Goodbuy's	41	62
Mr. HOW Warehouse	44	58
National Lumber	23	31
Neiman-Reed's Lumber City	37	49
O'Malley's	47	32
Ole's Home Centers	1	2
Orchard Supply	1	2
Panning Lumber & Supply	NR	86
Paty Co.	66	72
Payless Cashways	2	3
Pay 'N Pak	11	15
Peavey	19	13
Pergament Home Centers	17	23
Plywood Minnesota	66	81
Plywood Ranch	71	NR
Rickel Home Centers	10	12
Riggs Supply	59	86
Robertson Cos.	NR	97
T. H. Rogers Lumber	78	86
Sackett & Peters	63	99
Samon's DIY Centers	84	NR
San Diego Glass & Paint	100	NR
Scott's	53	76
Scotty's	12	8
Seacoast Building Centers	86	45
Seigle's Home & Building Centers	100	78
Somerville Lumber	2	2
Spenard's	19	13
Stambaugh-Thompson	41	62
Star Lumber	74	58
Stine Lumber	97	NR
Stripling Blake	NR	53
Strober Bros.	63	45
Sutherland Lumber	6	7
TAPJAC	89	NR
The Terry Cos.	91	38
Thurman Industries	78	NR
United Building Centers	19	13
Valu Home Centers	34	48
Walker-Kurth Lumber	66	67
Warners True Value	51	69
West Building Materials Centers	25	17
Westlake Ace Hardware	38	50
Weyerhaeuser	30	27
Wickes Cos.	5	5
Wickes Lumber	5	5
Williams Bros. Lumber	78	62
Wolf Supply	86	62
Wolohan Lumber	28	29
Ziegler Building Centers	94	NR

The Top 100 charts were developed by researcher Marcia Spires and the staff of National Home Center News.

A year of consolidation in a vibrant industry

(Continued from page 21)

chase of Somerville Lumber, giving Payless a beachhead for expansion in the Northeast for the first time.

Lanoga Corp. purchased 23 Peavey stores, doing around $50 million, for its United Building Centers chain in the Midwest. And even the lumbering giant, 84 Lumber, made growling sounds about making a "major acquisition" in its effort to become the industry's largest chain—with 700 stores and $3 billion in sales—by 1990.

Some of the smaller companies got into the act, as Erb Lumber and B&B Home Supply joined forces to open a string of warehouses in the Cleveland market called DIY Home Warehouse; Edward Hines Lumber in Chicago bought the eight-unit Kindt Corp. in Wisconsin, and Carter Lumber solidified its market position in Pittsburgh with the acquisition of the seven-store Z&L Lumber.

Aside from larger chains swallowing up the smaller ones, venture capitalists showed considerable interest in the home center industry last year, which further complicated the market picture. The New York-based Trump Group spent close to $350 million to buy Pay 'n Save Corp. in Seattle, which includes the Ernst Home Center chain. Vendex International, the Dutch firm that made headlines in 1982 when, then called Vroom Dreesmann, it flirted with merging with W. R. Grace's retail division, bought a one-third interest in Mr. Goodbuys in 1983. Last year, Mr. Goodbuys used the capital to embark on an ambitious expansion drive.

And the HomeClub chain in Fullerton, Calif., was able to raise $30 million for expansion through a private placement offering with a number of institutional investors. Other companies, including Home Depot and Hechinger Co., filled their coffers in 1984 through debenture offerings that gave them the financial wherewithal to expand.

Ironically, all this consolidation and capital growth came during a year in which Wall Street was not particularly kind to the industry. For a good portion of last year, most of the public companies' stock performed poorly, and it was not until late in 1984 that stock prices approached historical levels.

Most industry officials were perplexed as to why their stocks were undervalued, as the industry as a whole, and several companies in particular, had robust sales years.

In 1984, the Top 100 home center chains generated $17.1 billion in total volume, close to 18% higher than what these same companies did in 1983. This sales total represented 28.8% of total lumber, building materials, hardware and supply dealer volume in 1984, compared to the 28.2% of total dealer volume 1983's Top 100 accounted for.

The home center industry's Top 10 chains again made up the lion's share of the market, collectively generating $8.745 billion in volume, or 20% more than they did the previous 12 months. The 10 chains alone

(Continued on page 128)

THE NHCN TOP 100 DIY SALES

Rank	Companies	DIY SALES (millions $) 1984	1983	% change	% DIY 1984	Total stores 1984
1	**W. R. Grace,** New York (including Central Region, Channel, Grace West, Orchard Supply)	1,140	974	+ 17	95	324
2	**Payless Cashways,** Kansas City, Mo. (including Somerville Lumber)	1,058	957	+ 11	90	157
3	**Evans Products,** Miami (including Alamo, Grossman's, Grossman's West & Hubbard & Johnson, Lindsley, Moore's)	909	790	+ 15	85	349
4	**Lowe's,** No. Wilkesboro, N.C.	878	729	+ 22	52	248
5	**Wickes Cos.,** Santa Monica, Calif. (including Wickes Lumber, Builders Emporium)	605	540	+ 12	57	271
6	**Sutherland Lumber,** Kansas City, Mo.	525	426	+ 23	100	85
7	**84 Lumber,** Eighty-Four, Pa.	450	378	+ 19	60	365
8	**The Home Depot,** Atlanta	433	256	+ 69	100	31
9	**Hechinger,** Landover, Md.	405	310	+ 31	100	44
10	**Rickel Home Centers,** South Plainfield, N.J.	347	275	+ 26	100	40
11	**Pay 'N Pak,** Kent, Wash.	305	250	+ 22	100	100
15	**Ernst Home Centers,** Seattle	240	255	– 6	100	70
12	**Scotty's,** Winter Haven, Fla.	286	271	+ 6	65	110
13	**Handyman,** San Diego	270	240	+ 13	100	55
14	**Menards,** Eau Claire, Wis.	242	194	+ 25	85	21
16	**Central Hardware,** Bridgeton, Mo.	230	200	+ 15	100	30
17	**Pergament Home Centers,** Melville, N.Y.	180	160	+ 13	100	42
18	**Forest City,** Cleveland	156	125	+ 25	98	22
19	**Lanoga,** Seattle (including Lumbermen's, Peavey, Spenard's, UBC)	155	138	+ 12	45	148
20	**Builders Square,** San Antonio	152	14	+986	80	15
21	**Boise Cascade,** Boise, Idaho	147	176	– 17	37	77
22	**McCoy's Building Supply,** San Marcos, Tex.	145	132	+ 10	80	58
23	**National Lumber,** Santa Ana, Calif.	128	114	+ 12	100	15
24	**Handy Andy Home Improvement Centers,** Gurnee, Ill.	104	83	+ 25	98	15
25	**West Building Materials,** Atlanta	98	69	+ 42	40	65
—	**Knox Lumber,** St. Paul, Minn.	98	80	+ 23	95	10
27	**Carter-Jones Lumber,** Kent, Ohio	91	66	+ 38	55	142
28	**Wolohan Lumber,** Saginaw, Mich.	81	67	+ 21	58	34
29	**Homecrafters Warehouse,** Birmingham, Ala.	78	47	+ 66	50	41
30	**Erb Lumber,** Birmingham, Mich.	75	69	+ 9	50	36
—	**Weyerhaeuser,** Tacoma, Wash. (including Dixieline, Everitt, Fisher)	75	83	– 16	50	11
32	**HomeClub,** Long Beach, Calif.	70	10	+600	100	6
33	**Diamond Lumber,** Dallas	69	46	+ 50	20	96
34	**Valu Home Centers,** Buffalo	65	58	+ 12	100	22
35	**Busy Beaver,** Pittsburgh	62	65	– 5	75	24
36	**Lloyd Home & Building Centers,** Danbury, Conn.	59	52	+ 13	65	39
37	**Neiman-Reed's Lumber City,** Van Nuys, Calif.	57	60	– 5	90	12
38	**Edward Hines Lumber,** Chicago	55	42	+ 31	40	33
—	**Westlake Ace Hardware,** Moberly, Mo.	55	46	+ 20	91	28
—	**Courtesy Home Centers,** Mount Prospect, Ill.	55	50	+ 10	100	5
41	**Great Plains Supply,** St. Paul, Minn.	50	51	– 2	64	82
—	**Mr. Goodbuys,** Philadelphia	50	26	+ 92	100	6
—	**Stambaugh-Thompson,** Youngstown, Ohio	50	47	+ 6	100	20
44	**Lampert Lumber,** St. Paul, Minn.	49	50	– 2	66	47
—	**Mr. HOW Warehouse,** Margate, Fla.	49	14	+247	95	12
46	**Chase-Pitkin,** Rochester, N.Y.	47	37	+ 26	95	11
47	**O'Malleys,** Phoenix	46	39	+ 18	40	19
48	**Foxworth-Galbraith,** Dallas	44	48	– 8	40	59
—	**Copeland Lumber Yards,** Portland, Ore.	44	44	0	55	88
50	**Goodman Lumber,** San Francisco	43	38	+ 13	100	5
51	**Warners True Value,** St. Paul, Minn.	41	36	+ 14	95	23
52	**Hill-Behan,** St. Louis	40	38	+ 5	50	34
53	**Scott's,** Linthicum, Md.	37	34	+ 9	98	17
54	**Meeks Building Centers,** Springfield, Mo.	30	22	+ 36	40	21
—	**Church's Lumber Yards,** Utica, Mich.	30	27	+ 11	75	12
—	**Eclipse Industries,** St. Louis	30	28	+ 7	100	8
57	**City Mill,** Honolulu	27	27	0	90	5
—	**Homeowners DIY Centers,** Gardena, Calif.	27	30	– 10	100	4
59	**Anderson Lumber,** Ogden, Utah	26	21	+ 24	33	22
—	**Peter Kuntz,** Dayton, Ohio	26	24	+ 8	50	24
—	**Elk Supply,** Clinton, Okla.	26	29	– 10	80	18
—	**Rigg's Supply,** Kenneth, Mo.	26	24	+ 8	85	6
63	**Strober Bros.,** Brooklyn, N.Y.	25	21	+ 15	35	8
—	**All American Home Center,** Downey, Calif.	25	23	+ 9	100	1
—	**Sackett & Peters,** Whittier, Calif.	25	22	+ 14	99	2
66	**Walker-Kurth,** Houston	24	28	– 14	50	5
—	**The Paty Co.,** Piney Flats, Tenn.	24	19	+ 25	60	6
—	**Curtis Lumber,** Ballston Spa, N.Y.	24	18	+ 33	75	6
—	**Plywood Minnesota,** Minneapolis	24	22	+ 9	75	10
—	**Budget Power,** Hopkins, Minn.	24	20	+ 20	95	8
71	**M. G. Building Materials,** San Antonio	23	16	+ 44	40	2
—	**Brewster's Lumber,** Providence, R.I.	23	21	+ 11	60	4
—	**Plywood Ranch,** Braintree, Mass.	23	22	+ 5	93	12
74	**Alexander Lumber,** Aurora, Ill.	22	18	+ 22	40	56
—	**Star Lumber,** Wichita, Kan.	22	21	+ 5	43	3
—	**Lampert Yards,** St. Paul, Minn.	22	24	– 8	60	30
77	**Braver Lumber & Supply,** Detroit	21	22	– 6	85	13
78	**A. C. Houston Lumber,** Wichita, Kan.	20	18	+ 11	35	11
—	**Williams Bros.,** Atlanta	20	18	+ 12	40	9
—	**T. H. Rogers,** Oklahoma City	20	20	0	65	33
—	**Lezzer Lumber,** Curwensville, Pa.	20	18	+ 11	70	6
—	**Gee Lumber,** Chicago	20	20	0	80	13
—	**Thurman Industries,** Kirkland, Wash.	20	20	0	98	10
84	**Hughes Lumber,** Tulsa	19	18	+ 6	80	10
—	**Samon's DIY Centers,** Salt Lake City	19	19	0	85	14
86	**Seacoast Building Centers,** Conway, S.C.	18	16	+ 13	25	12
—	**Wolf Supply,** York, Pa.	18	13	+ 38	35	22
—	**M. L. Claster & Sons,** Bellefonte, Pa.	18	14	+ 29	60	12
89	**TAPJAC,** Carthage, Mo.	17	15	+ 13	75	12
—	**Builderama,** Savannah, Ga.	17	14	+ 21	85	6
91	**The Torry Cos.,** Tarzana, Calif.	16	12	+ 33	20	10
—	**Fullerton Lumber,** Minneapolis	16	16	0	40	46
—	**Bailey Lumber,** Bluefield, W. Va.	16	15	+ 7	70	17
94	**Levy's Lumber & Building Centers,** Louisville, Ky.	15	15	0	85	3
—	**Ziegler Building Centers,** Spokane, Wash.	15	15	0	85	7
—	**Hacienda Home Centers,** Albuquerque	15	11	+ 36	90	5
97	**Martin Home Centers,** Alexandria, La.	14	12	+ 17	45	7
—	**Hancock Co.,** Casco, Me.	14	10	+ 40	45	6
—	**Stine Lumber,** Sulphur, La.	14	13	+ 8	75	5
100	**Seigle's Home & Building Centers,** Elgin, Ill.	13	12	+ 8	35	5
—	**San Diego Glass & Paint,** San Diego	13	11	+ 18	75	17
TOP 10 DIY SALES		6,750	5,635	+ 20		1,914
TOP 25 DIY SALES		9,588	8,056	+ 19		2,757
TOP 50 DIY SALES		11,105	9,291	+ 20		3,637
TOP 100 DIY SALES		12,229	10,313	+ 19		4,296

Forest City girds in Chicago for whse attack

(Continued from page 93)

market began in the spring of last year, when company officials said the chain would build an additional 8 to 10 new stores in that city following the renovation of its current three stores and the opening of two additional stores. Clearly, the intention of the chain was to establish dominance in a highly competitive market.

The company, which had operated in Chicago since 1973, opened a fourth unit in Morton Grove, Ill., in June 1984, and a fifth in Schaumburg, Ill., in the fall. The Schaumburg location, at 100,000 sq. ft., was the largest in the chain. The next largest were two Detroit and two Cleveland units, each 82,000 sq. ft.

Forest City said that its expansion plans in the Chicago market were not undertaken in reaction to forthcoming competition, but rather were part of a larger corporate plan to remerchandise and expand.

Sale of the five Chicago units, which occurred in January of this year, left Forest City with seven stores in Cleveland, two in Akron and eight in Detroit.

Both Detroit and Cleveland, where Forest City is the home team, are expected to be battle grounds this year in the warehouse store battle for market share.

The Home Depot and Builder Square are expected to face off in Detroit, while in Cleveland Forest City will face new competition from Builder Square and DIY Home Warehouse, the joint venture of Erb Lumber and Eclipse Industries.

Z&L purchase highlights year for Carter-Jones

KENT, Ohio — Normally quiet Carter Lumber made a splash in the midwestern home center world last summer when it purchased all six units of Z&L Lumber, a Pittsburgh chain.

The move was seen primarily as opportunistic, since Morris Brookner, president of Z&L Lumber, said that he wanted to sell his chain "for personal reasons." Brookner had founded the chain 35 years earlier, and had been experimenting recently with drive-throughs in many of the stores.

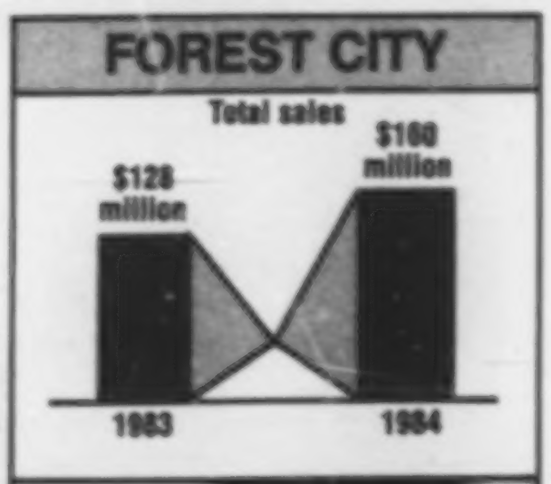
The purchase raised Carter Lumber's annual volume by about $30 million to an estimated $165 million for 1984.

Carter Lumber said the purchase was seen as an opportunity to expand into the Pittsburgh area, a market that does not have a lot of land in key positions for the establishing new home centers.

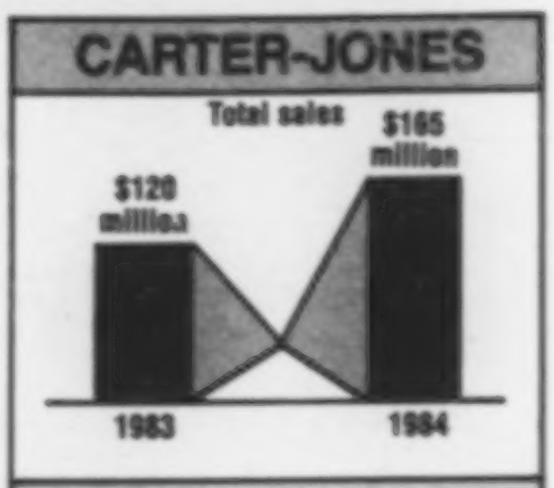
The company indicated it did not have a larger plan to expand into western Pennsylvania, however.

The acquired units differed somewhat from the older Carter Lumber outlets, which are characterized by a limited merchandise mix and a unique dual-building construction. One building typically houses plumbing items; the other hardware items and building materials. Each building has about 4,000 sq. ft. of showrooms, and the dual buildings are positioned adjacent to larger outdoor lumberyards.

Z&L units, on the other hand, have a mix of decorative products and paneling that will be new for Carter Lumber.



Ed Seymour
Forest City president



Carter's purchase of Z&L raised 1984's sales by $30 million.

The top gainers

Total sales
(dollar volume)

Companies	Total sales $ increase (in millions)
Lowe's	$258
Wickes Cos.	181
Home Depot	177
W. R. Grace	175
Builders Square	173
Payless Cashways	169
Evans Products	142
84 Lumber	120
Sutherland	99
Hechinger	95

Source: *NHCN* Top 100—Total Sales

For the second year in a row, Lowe's led the field in total sales volume gain. Wickes Cos. posted a huge sales increase as it rebounded out of Chapter 11 in 1984. Meanwhile, Evans Products, despite scoring the seventh largest dollar sales gain in the industry last year, was forced to file for protection from creditors early in 1985. K mart showed its splash into the home improvement industry will result in more than a few ripples as its Builders Square subsidiary ranked fifth in volume increase over 1984.

Total sales
(per cent increase)

Companies	% total sales gain
Builders Square	+1,018
HomeClub	600
Mr. HOW Warehouse	247
Mr. Goodbuys	92
The Home Depot	69
Edward Hines Lumber	66
Homecrafters Warehouse	50
M.G. Building Materials	45
Williams Brothers	43
Wolf Supply	39

Source: *NHCN* Top 100—Total Sales

That 1984 was a year of rapid expansion of the warehouse store format is reflected in the fact that 6 of the 7 chains recording the greatest percentage increase in their total sales were warehouse operations.

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Repair and remodeling spending jumps 28% to $63.2B in 1984

NATIONAL REPORT — After five years of modest growth in expenditures for home repair projects, 1984 figures set a spending record.

Last year Americans spent $63.2 billion on upkeep and improvements to the residences, 28% more than in 1983 when spending was $49.3 billion.

These numbers, compiled and released by the U.S. Department of Commerce, only include money spent on major, permanent structural work to residences. The figures do not include expenditures for interior design, appliances or decoration.

The Commerce Department's findings are reported for owner-occupied properties of single-family units and one to four dwellings as well as all other multifamily housing with no owner occupants.

The 1984 growth spurt is the result of substantial expenditure increases in maintenance and repair projects, construction improvements and major replacement work.

Major replacement projects within the household was the fastest growing category in 1984, jumping 45% to $15.8 billion. More than half this total, or $8.8 billion, was spent by single-family home owners. Roofing projects accounted for $4.1 billion of the major replacement total. Heating and central air-conditioning replacements, however, leaped 100% over 1983 to a little more than $4 billion, becoming the fastest growing home project in any category, according to Commerce Department statistics.

Maintenance and repair work recorded the second largest increase last year, up 31% to nearly $23.8 billion. Here, expenditures were divided almost equally among the three resident groups, at about one-third each. The fastest growing home project in the maintenance and repair category was plumbing, at 56%, to nearly $2.6 billion.

Additions, alterations and major replacements, which the Government also calls construction improvements, meanwhile jumped 26% in 1984 to $39.4 billion, compared to the $31.2 billion spent one year ago.

Expenditures for major home construction projects by owners of one-unit homes accounted for $27.3 billion of that total with the $12.1 billion balance being spent by owner-occupant and nonoccupants of multifamily properties.

Owner-occupants of single-family homes accounted for 59% of the $63.2 billion spent on repair, remodeling and alterations last year. However, that proportion is down significantly from the historic average of the past six years.

Between 1979 and 1983, homeowners spending ranged from a low of 64% of the total in 1981 to a high of 67% in 1980. In 1984, they applied 37.7% of their money on maintenance and repair projects, 50% on additions and alterations and 23% on major repairs, according to

(Continued on page 99)

Residential repair, remodeling & alterations ($ million)

Type of construction work	All residential properties 1984	1983	1982
Total expenditures	63,174	49,295	45,291
Maintenance & repair	23,784	18,128	16,810
Heating & central a/c	1,243	991	836
Plumbing	2,586	1,684	1,799
Roofing	2,183	1,514	1,324
Painting	7,974	6,317	5,734
Siding	911	702	665
Other	8,888	6,919	6,451
Additions, alterations & major replacements	39,390	31,167	28,481
Additions to residential structure	4,983	4,739	2,641
Additions and alterations on outside property	5,100	3,859	5,423
Alterations within residential structure	13,521	11,673	10,711
Heating & central a/c	961	701	687
Plumbing	678	557	710
Remodeling	3,415	3,070	2,688
Other	8,466	7,345	6,625
Major replacements	15,785	10,895	9,707
Heating & central a/c	4,062	2,022	1,707
Plumbing	2,651	1,741	1,748
Roofing	4,120	3,579	3,780
Siding	2,076	1,917	1,351
Other	2,877	1,637	1,119

Source: U.S. Commerce Department

The top gainers

DIY sales (dollar volume)

Companies	DIY sales $ increase (in millions)
Home Depot	$177
W. R. Grace	166
Lowe's	149
Builders Square	138
Evans Products	119
Payless Cashways	101
Sutherland	99
Hechinger	95
Rickel	72
84 Lumber	72

Source: *NHCN* Top 100—DIY Sales

In 1983, Payless Cashways dominated the home center companies in terms of raw dollar gains in DIY volume with $248 million more in consumer sales than in 1982, far above this year's leader, Home Depot, where DIY sales rose by $177 million in 1984. However, it appears that more chains shared in the increased prosperity last year.

The top gainers

DIY sales (per cent increase)

Companies	% DIY sales gain
Builders Square	+986%
HomeClub	600
Mr. HOW Warehouse	247
Mr. Goodbuys	92
Home Depot	69
Homecrafters Warehouse	66
Diamond Lumber	50
M. G. Building Materials	44
West Building Materials	42
Hancock Co.	40

Source: *NHCN* Top 100—DIY Sales

Three relatively young warehouse chains, Builders Square, HomeClub and Mr. HOW, experienced the highest rate of DIY sales growth in 1984. Home Depot's breakneck pace slowed from 117% in 1983 to 69% in 1984.

Remodeling figures set spending record

(Continued from page 98)

the Commerce Department.

Among one-unit, owner-occupied homes spending $25 or more, nearly 28%, or $10.2 billion of the $37.5 billion, was spent directly by homeowners for their own building materials purchases. The balance of the spending went to contractors, but included the cost of contractors material purchases. The 28% figure is down slightly, but still is in line with the average ratio of the past six years.

Sales improve

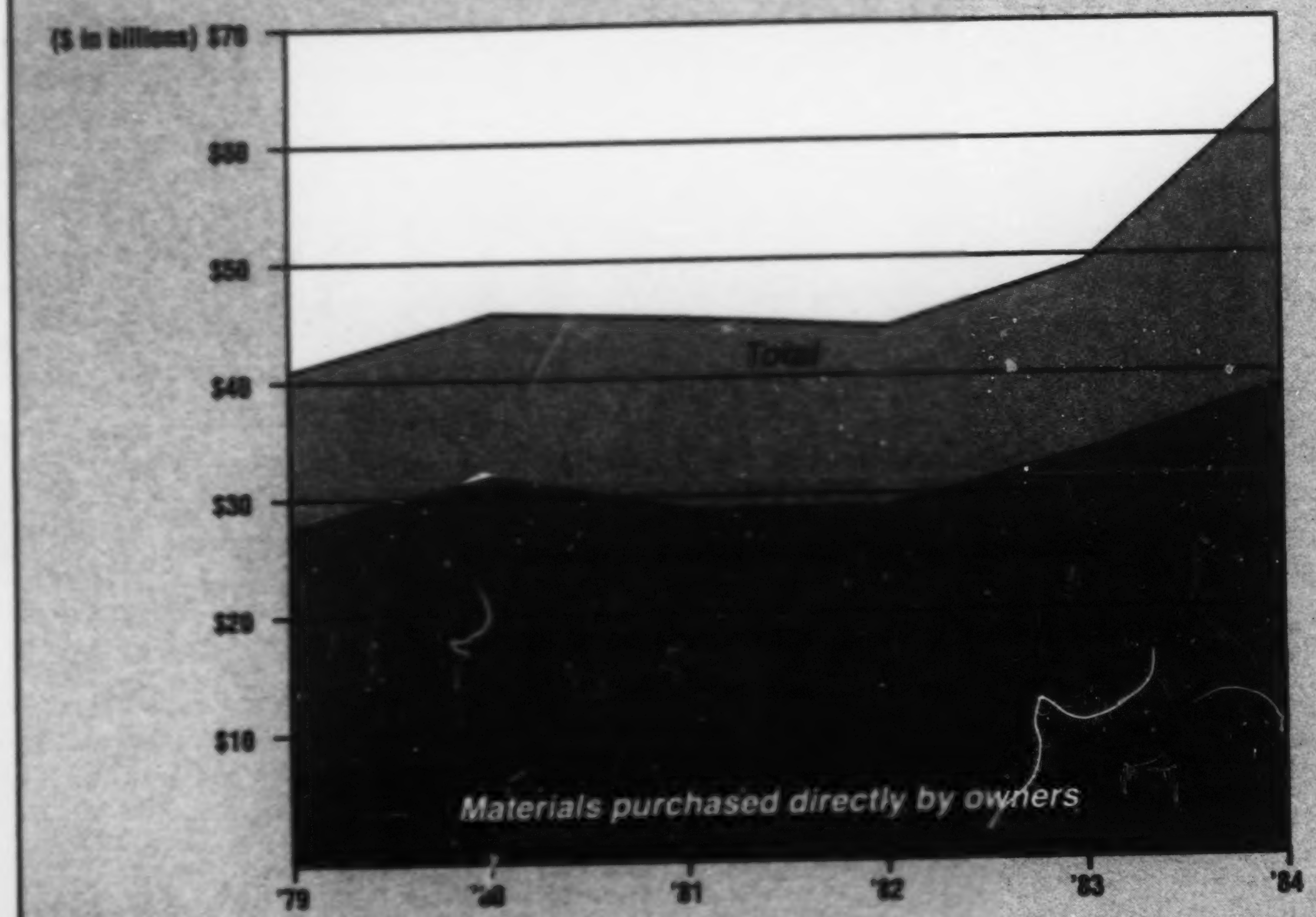
Despite the recessional dip of 1982 when $45.3 billion was spent on home repairs, nearly $1 billion less than in 1981, the growth of material purchases by single-family homeowners has been outpaced by spending for professionally completed improvements and repairs. Expenditures by homeowners rose just $1.2 billion between 1982 and 1984 from $9.1 billion to $10.3 billion last year. At the same time, expenditures for contracted improvements and repairs rose nearly $8 billion, from $29.6 billion in 1982 to $37.3 billion in 1984.

Shifting attitudes

Since 1979, $25-plus purchases made by owner-occupants of single-family residences have risen 24%, while total repair, remodeling and alterations expenditures soared nearly 50% over the same six-year period, indicating DIY activity is shifting forward more "Buy-It-Yourself" spending.

This change has probably sprung from the fact that most families now include two wage earners who find themselves less inclined to undertake the time-consuming projects themselves. They are either too busy or disinterested, and in many cases, are financially able to hire professional contractors to do the work for them.

Residential Alteration & Repair Spending



Spending by 1-unit property owners accounted for 59% of all residential alteration and repair expenditures in 1984.

*Spending $25 or more

The top losers

Total sales
(per cent decrease)

Companies	% total sales decline
Big Tin Barn	−29
Everitt Lumber[1]	−29
Lindsley[2]	−16
Walker-Kurth Lumber	−15
Alamo Enterprises[2]	−11
Boise Cascade	−11
Elk Supply Co.	−11
Homeowners DIY Centers	−10
Lampert Yards	−10
Robertson Companies	−10

Source: *NHCN* Top 100—Total Sales
[1] Subsidiary of Weyerhaeuser
[2] Subsidiary of Evans Products

Last year's housing slump in Houston contributed to sales losses at Big Tin Barn, Diboll, Tex., and Walker-Kurth in Houston. Lindsley was a little late getting into the warehouse game and faced aggressive expansion in Florida by Home Depot, Mr. HOW and Scotty's.

Total sales
(decrease in millions of $)

Companies	Loss in millions $
Boise Cascade	−50
Lindsley[1]	−25
Big Tin Barn	−24
Ernst	−15
Foxworth-Galbraith	−10
Everitt Lumber[2]	− 9
Great Plains Supply	− 7
Walker-Kurth Lumber	− 7
Alamo Enterprises[1]	− 5
Busy Beaver	− 4
Elk Supply	− 4
Lampert Yards	− 4

Source: *NHCN* Top 100—Total Sales
[1] Subsidiary of Evans Products
[2] Subsidiary of Weyerhaeuser

Boise Cascade's $50 million retail loss topped the list of dollar volume losers on NHCN's 1984 Top 100. Losses at Lindsley and Alamo contributed to Evans Products' problems, which culminated in an early 1985 Chapter 11 filing.

Has your overstocked warehouse lost its wide open spaces?
[illegible] Inventory.
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Buying groups sales up; membership levels off

By John Caulfield
NHCN senior editor

NATIONAL REPORT — Hardware, lumber and building materials buying groups wrote more than $6 billion worth of business with their affiliated dealers last year, a full 14.5% more than in 1983.

With their aggregate memberships growing by less than 3% in 1984, these wholesalers concentrated on devising new marketing services to keep what dealers they had. For several companies this meant developing in-store remodeling and remerchandising programs that would give their dealers a competitive edge against larger home centers and warehouses moving into their markets.

Following the lead of Hardware Wholesalers Inc.'s enormously successful "Do-It" retrofit program, Ace Hardware and American Hardware Supply each developed modified Stores of the Future of its own. Allied Building Stores in Monroe, La., hired Paul Andert away from National Building Centers in Florida to come up with a new store design program for its dealers. And, Our Own Hardware plans to come out with its "How-To" store remodeling and remerchandising program sometime this year, which will include a "mini-warehouse" format, according to general merchandise manager Steve Saefke.

As has been the case for many years, the top six companies—Cotter & Co., Ace, HWI, American, Lumbermen's Merchandising (ELMCO) and Builder Marts of America (BMA)—dominated the field, with 81% of the $6.009 billion in sales generated by the 17 buying groups listed, and 78% of the 25,583 units serviced.

Cotter, which opened a 250,000-sq.-ft. leased warehouse in Denver in April, enjoyed its biggest sales increase in several years, according to its president, Dan Cotter. The company, to expand its membership, is expected to open its Woodland, Calif., distribution center this fall.

American had the biggest sales gain among the big buying groups, in part due to the significant increase it had in its lumber and building materials sales, which accounted for more than 28% of its total volume.

Ace's healthy sales growth resulted from its adding 300 new dealers and 144 new home center retailers to its rostrum, and the company is expected to pass the $1 billion mark sometime this year. Ace opened a new DC in Little Rock, Ark., on Jan. 1, 1985.

Big sales gains were not reserved for only the largest buying organizations, though. Lumber and building materials groups had a banner year in 1984, with BMA's sales rising nearly 25% without any appreciable increase in membership. ENAP and Progressive Affiliated Lumbermen (PAL) did even better with sales up 34.5%. "Our contractor and industrial accounts—everything is up," said Bill Sherry, president of ENAP, whose first quarter, 1985 sales rose 50%, and whose volume is expected to exceed $125 million this year.

Another buying group with thriving sales was Handy Hardware Wholesalers in Houston, which had the biggest volume and earnings year in its history. This feat is even more remarkable when one considers the economic decline suffered by the Sunbelt last year. Despite the area's woes, HHH is budgeted for a 12.7% sales gain this year to $52 million.

Not every buying group's sales were robust, however. Central Builders Supply had a net loss of 50 members to 400 in 1985, and its sales were up only 11%; Our Own's business increased a mere 5%; Gamble's, which was acquired from Wickes Co. last August, suffered a 12% sales decline, and Reserve Supply's business was flat, despite the addition of 48 new dealers.

"It has been a very tough year for anyone doing business in the farm states," said Brian MacKenzie, merchandising vp for Reserve Supply. Nevertheless, this company plans to open

(Continued on page 104)

Hardware, lumber and building materials buying groups' business with their dealers climbed 14.5%, but memberships increased only 3%.

The Top Hardware, Lumber & Building Materials Buying Groups

Rank			SALES					STORES						INVENTORY ANALYSIS								CHARGES % charges to dealers out of: • warehouse • pool relay • drop ship		EMPLOYEES
			Total sales (mil. $)		% chg.	Lumber & Building mat'ls as a % of sales		Dealer stores		No. of home centers		HC sales as % of total		No. of warehouses (tot. sq. ft.)	Min./max. inventory (mil. $)	Stock keeping units		Sales to inventory ratio		% of sales from drop shipment				No. of employees
'84	'83	COMPANY	'84	'83		'84	'83	'84	'83	'84	'83	'84	'83	1984	1984	'84	'83	'84	'83	'84	'83	'84	'83	1984
1	1	Cotter & Co.,[1] Chicago	1,640	1,459	12.4	5.3	7-7.5	7,000	7,000	1,500	1,500	30	30	12 (4.75 mil.)	160	28,000	25,000	5.9	4.8	30	25	5-15 6 2	5-15 6 2	3,600
2	2	Ace Hardware, Oak Brook, Ill.	926	801	15.6	5.0	5.0	4,700	4,400	1,594	1,450	40	38	11 (3.96 mil.)	85-150	38,000	38,000	7.1	7.3	33*	33*	10 6 0-2	10 6 0-2	2,000
3	3	Hardware Wholesalers Inc., Fort Wayne, Ind.	637	558	14.2	30.0	29.0	2,550	2,500	1,552	1,550	50	60	4 (1.7 mil.)	48-53	35,000	34,000	13.0	11.8	56	52	no adder up, depending on cost of handling		630
4	4	American Hardware Supply, Butler, Pa.	619	516	20.0	28.4	23.9	3,800	3,800	1,420	1,400	41	40	5 (1.7 mil.)	47-59	30,000	28,000	11.3	9.9	27	29	5-15 10 0.5	5-15 10 0.5	888
5	5	Lumbermen's Merchandising Co. (ELMCO), Wayne, Pa.	548	457	20.0	80.0	80.0	550	525	50	45	45	45	none	—	—	—	—	—	—	—	—	—	110
6	6	Builder Marts of America,[2] Greenville, S.C.	498	410	24.2	75.0	78.0	1,359	1,309	NA	NA	10	10	none	—	—	—	—	—	—	—	—	—	182
7	7	Coast to Coast[3] Minnetonka, Minn.	310	300	3.3	NA	NA	1,079	1,132	NA	NA	NA	NA	3 (1.1 mil.)	50	28,000	28,000	NA	NA	10	10	NA	NA	900
8	8	Allied Building Stores, Monroe, La.	140	138	1.0	80.0	80.0	150	150	20-25	15-20	20	15	1 (65,000)	12	4,500	4,000	30.0	30.0	80	80	6 NA 15	6 NA 15	40
9	9	Central Builders Supply, Sturgis, Mich.	122	110	11.0	100.0	100.0	400	450	75	75	60	60	none	—	—	—	—	—	—	—	—	—	22
10	11	ENAP, Newburgh, N.Y.	113	84	34.5	100.0	100.0	115	111	62	62	80	80	none	—	—	—	—	—	—	—	—	—	26
11	10	Our Own Hardware, Burnsville, Minn.	105	100	5.0	11.5	9.7	1,000	1,050	400	400	35-40	35-40	2 (650,000)	17-22	35,000	34,000	5.1	4.3	30	27	7-11 6 2	14 6 2	320
12	12	United Hardware Distributors, Minneapolis	91	82	11.5	NA	NA	550	552	30	30	5	5	1 (420,000)	10-15	33,000	33,000	7.0	6.6	12	12	0-11 NA 1	0-11 NA 2	285
13	13	Progressive Affiliated Lumbermen's, Grand Rapids, Mich. (PAL)	87	65	34.5	100.0	100.0	176	176	100	100	80	80	none	—	—	—	—	—	—	—	—	—	13
14	14	Reserve Supply, Minneapolis	65	65	0	70.0	70.0	800	752	110	110	25	25	4 (230,000)	5.7-10	7,800	13,000	8.6	8.6	50	50	NA	NA	178
15	15	Gamble's,[4] Minneapolis	53	60	(11.7)	7.0	3.0	800	700	250	250	65	65	2 (400,000)	11-15.5	20,000	25,000	4.0	6.6	8	14	NA NA 1	NA	300
16	16	Handy Hardware Wholesalers, Houston	46	38	19.7	20.0	20.0	504	440	135	110	25	25	(100,000)	5-6	19,000	20,000	7.4	7.5	25	25	9 NA 1	9 NA 1	110
17	19	Connecticut Hardware Supply, Cromwell, Conn.	9	7	28.5	none	none	58	52	4	4	3	3	1 (35,000)	0.7-1.1	29,000	29,000	7.0	5.6	25	25	NA	NA	14

All figures recalculated for calendar year.

[1] Cotter has re-estimated its sales to inventory ratios for 1983 to better reflect how much stock it is holding in its DCs.

[2] Builder Marts of America is employee-owned and is a dealer-services organization. Above figures for its dealer division.

[3] Coast-to-Coast is owned by Household International, Chicago, and its dealers are franchisees.

[4] Gamble's was purchased by its employees from Wickes Cos. on Aug. 3, 1984. It also sells merchandise to an estimated 1,200 nonaffiliated dealers.

*does not include lumber drop shipments. NA—not available

Source: Company data; *NHCN* research, chart

Warehouse siphoned off wholesaler business

Wholesalers buying groups

Rank	Company	Sales (mil. $)		% change	No. of wholesalers		Affil. dealers/ total customers 1984 (1983)	% of home centers 1984	Wholesaler warehouses		Aggregate Inv. (mil. $) 1984	Sku's '84	No. of employees		Advertising corporate wholesalers 1984
		'84	'83		'84	'83			'84	'83			'84	'83	
1	**Liberty Distributors, Des Plaines, Ill.**	896	850	5.4	24	29	3,500/32,000 (3,500/32,000)	35	52	57	NA	35,000	42	45	$3.2 mil./NA
2	**Associated Building Materials, Green Valley, Ariz.**	750	800	(6.3)	48	49	none/25,000 (none/25,000)	80	95	99	NA	NA	4	3	NA/$1 mil.
3	**Pro Hardware, Stamford, Conn.**	678	605	12.1	16	18	5,100/18,000 (4,612/18,000)	38-40	27	26	105	24,000	26	25	$3 mil. + /$1.6 mil.
4	**Sentry Hardware, Cleveland**	480	500	(4.0)	12	13	NA/4,800 (NA/5,000)	NA	20	19	NA	NA	9	9	NA
5	**Allied Hardware Services, Chicago**	440	400	10.0	29	29	6,300/19,200 (6,000/20,800)	NA	30	31	53-58	22,500	6	6	$235,000/$500,000
6	**Val-Test Distributors, Chicago**	400	400	—	32	35	900/5,000 (800/5,000)	5	44	47	60	13,500	9	8	$80,000/$600,000
7	**Associated Hardware Services, Gainesville, Ga.**	130	125	4.0	24	24	NA	NA	24	24	NA	NA	4	4	none/NA

Source: NHCN research

The seven national marketing groups for wholesalers saw the sales of their members increase only marginally to $3.77 billion in 1984. Most of these firms lost distributors last year, and many increased their advertising and promotional budgets to attract new wholesaler and dealer business. The rankings of the top wholesalers buying groups didn't change from last year as Liberty Distributors, Des Plaines, Ill., again topped the list.

NATIONAL REPORT — The seven major buying groups for wholesalers reported that their members' sales rose only 2.6% to $3.77 billion last year, with one executive claiming that the growth of warehouse retailing was adversely affecting these companies.

"An awful lot of business is being siphoned off by the retail warehouse phenomenon, which does most of its buying direct, and with which most of our wholesalers aren't that strong yet," said Richard Brant, managing director for Sentry Hardware, the 12-wholesaler buying organization in Cleveland, whose members' sales took an estimated dip in 1984.

The seven buying organizations suffered a net loss of 12 wholesale-distributors to 185 in 1984, from 197 the previous year. And, with the exception of Pro Hardware and Allied Hardware Services, there seemed to be virtually no dealer expansion among the wholesalers affiliated with the other companies.

It was, in fact, feast or famine for the buying organizations in 1984. Associated Building Materials, the Green Valley, Ariz., group, saw its members volume dip 6.3% last year, primarily due to the loss of its $70 million Palmer G. Lewis distributor in Auburn, Wash. However, Associated gained another Northwestern wholesaler, "so we're still covered out there," said its vice president Bub McQuilken, who declined to identify the name of this company.

Liberty Distributors lost Salt Lake Hardware, and saw another of its wholesalers, Morley Brothers, go into bankruptcy with its parent, S&T Industries in Louisville.

In addition, a number of mergers occurred in the Liberty network, including Walter Tipps Co. of Austin, Tex., with Wyeth Co., in St. Joseph, Mo.; Gable's in Harrisburg, Pa., was bought by Emery-Waterhouse in Portland, Me., and Harper & McIntire merged with Farwell, Ozmun, Kirk (FOK) in South St. Paul, Minn.

On the other hand, FOK, which for 20 years had serviced a network of dealer franchised, decided to convert all 600 of its "O-K" retailers into "Trustworthy Stores," the name under which dealers affiliated with Liberty sell, on Jan. 1, 1985.

Even though Pro Hardware lost two distributors, it gained an estimated 500 affiliated dealers, and its wholesalers enjoyed the largest aggregate sales increase—12.1%—of any of the other buying organizations.

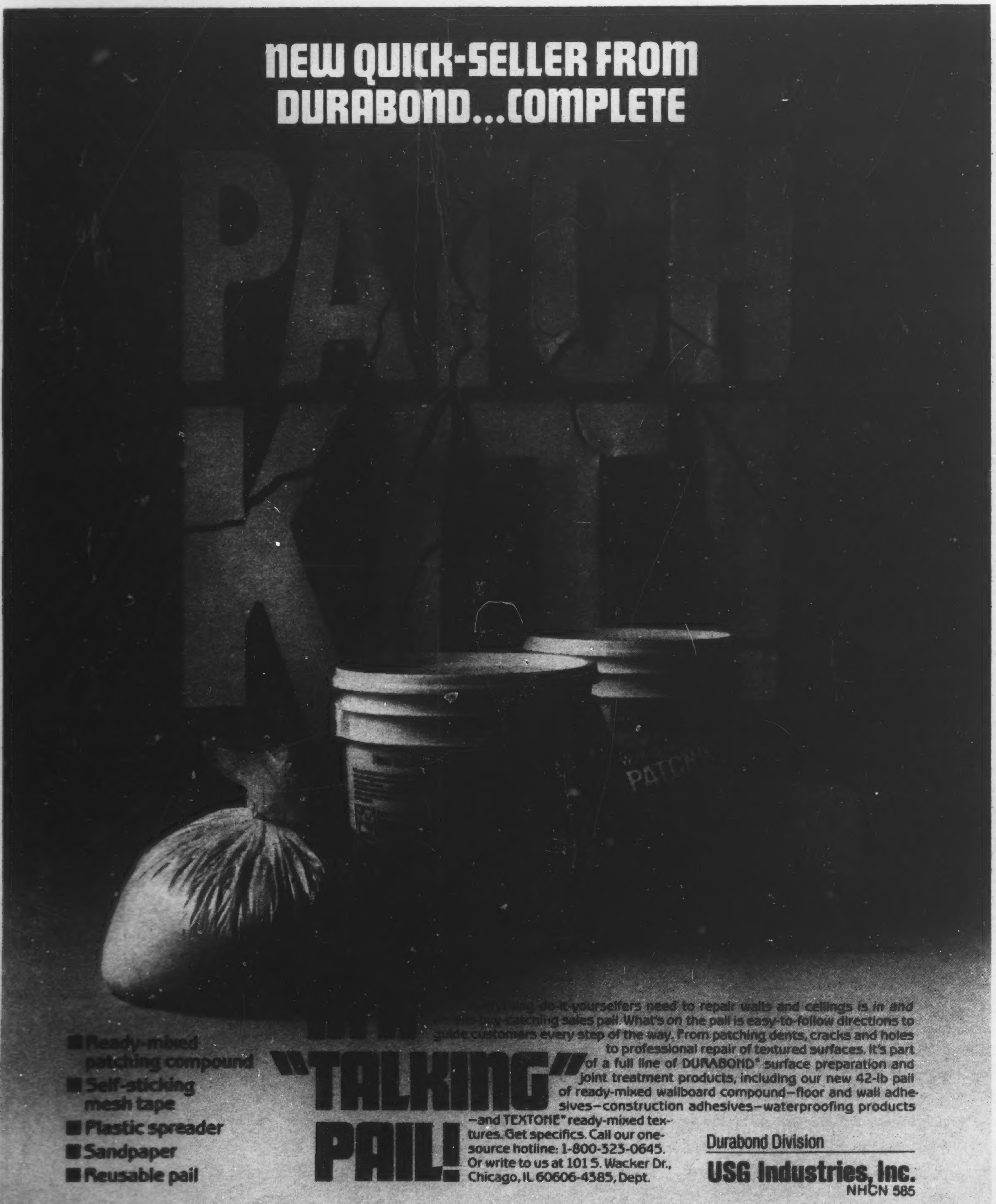
Allied Hardware Services in Chicago was another group which experienced a correlation between increased dealer affiliation and wholesaler sales. Allied's dealer count rose by 300, and its distributors' volume jumped 10% to $440 million in 1984.

Both Allied and Pro increased their respective corporate advertising last year to attract new dealers and wholesalers. Pro's nearly doubled to $3 million, while Allied's went up modestly to $235,000.

"We've been very aggressive in our marketing program, and this year looks very good for increasing our awareness among new clients," said Gary Cosgrave, Pro's executive vp.

Liberty has maintained its No. 1 ranking among these companies in part by its corporate ad budget, which rose to $3.2

(Continued on page 104)



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Durabond Division
USG Industries, Inc.
NHCN 585

Buying groups sales up; membership levels off

(Continued from page 101)

a 40,000-sq.-ft. DC in Des Moines, Iowa, and a 30,000-sq.-ft. DC in Rapid City, S.D., this year in anticipation of stronger sales.

Dealers' business played less of a role in one company's sales last year than did natural disaster. Connecticut Hardware Supply incurred $800,000 in damages when a flood ripped through Cromwell and destroyed nearly all the merchandise being stored in the first floor of its warehouse. The company had to shut down for several days, but its sales last year still were ahead 28.5% to $9 million.

Two companies on last year's *NHCN* Buying Groups list went under in 1984. Bay Cities Wholesale Hardware, a 180-member co-op based in Manteca, Calif., saw its business deteriorate to the point where its management decided to liquidate its inventory and physical plant. "The business wasn't terribly solvent, and we were being used primarily as only a fill-in distributor when times were bad," said Brian Paine, a field manager for Bay Cities currently working for California Hardware. He also noted the company was hampered by high interest payments on a new warehouse it moved into two years earlier.

Paine said about 75% of Bay Cities' members were also affiliated with the larger co-ops like Ace or Cotter, "and the remainder were up for grabs. There are quite a few very strong independent distributors in this part of California, and these dealers are more than likely being serviced by them," he said.

KVC Inc., in Winfield, W. Va., was acquired last year by S&T Industries, a wholesaler in Louisville. KVD, with 1983 sales of $11 million, had 140 members, but its business reportedly had been in decline for a number of years. In fact, S&T filed for Chapter 11 on March 19, having made several unprofitable acquisitions of wholesaling companies in recent years.

Among those buying groups which survived and prospered in 1984, several altered their inventory levels and product assortments, although there was no consistent pattern of whether going up or down was the best choice.

American, Our Own and Allied all increased their product assortments in 1984, while Reserve, Gamble's and HHH trimmed back their sku's. Ace appeared to greatly increase its inventory last year, as did American during peak selling seasons. However, other companies held the line, or dropped inventory levels slightly over the year.

Other highlights for the respective companies in this year's buying groups' chart include:

- HWI further increased its lumber and building materials distribution, which now accounts for 30% of its total volume;
- American added 20 new home center accounts last year, and increased its sku count by 2,000;
- BMA had its first fall buying show in Las Vegas, at which it generated $33 million in business;
- Coast-to-Coast began a re-merchandising program that will de-emphasize the distribution of such nonhardware items as toys and giftware, and promote its more traditional hard lines offerings;
- CBS developed its "Instant Communications" system which allows participating dealers to electronically hook up with its headquarters and be aware of opportunistic deals from manufacturers. CBS also re-established its coordinated buying and distribution with Belknap Inc., the Louisville hardware distributor;
- United focused most of its expansion efforts last year in Nebraska;
- Gamble's has developed a new MIS computerized inventory management system which Wayne Waldera, the company's president, said was "specifically designed" for bigger chain operations. In addition, Gamble's has just purchased a new truck fleet of 40 trucks and 70 trailers for its "Retail Resource Express" program, in which Gamble's serves as a common carrier for nonaffiliated dealers and wholesalers;
- Reserve Supply added kitchen cabinets to its product mix in September.

For 1985, most executives from these buying groups were optimistic, although none was projecting enormous sales growth. For instance, PAL had the biggest January in its history, "then the bottom fell out of the market," said Bill Danzig, its vice president, who attributed the problems to bad weather, mostly snow.

Laddie Woods, president of Allied, thought his company's health would depend on the renewed prosperity of the petrochemical industry, upon which so much of his market's vitality depends. And Richard Ingram, president of the dealer division of BMA, told *NHCN* he did not expect 1985 to be a booming sales year. "It will be good, but not great," he said.

Warehouses siphoned off wholesaler biz

(Continued from page 102)

million in 1984, something that has not been lost on other buying groups. Val-Test Distributors increased its corporate advertising to $80,000 from $60,000 in 1983, and Associated Hardware Services in Gainesville, Ga., is contemplating the start of an ad program this year. "Competition in this side of the business is extremely tough right now," said Sam Dunlap, Associated's vice president.

This competitiveness, and the soft business its wholesalers did last year, have made executives from these buying groups cautious about revealing their plans for 1985. Cosgrave of Pro, for example, said his company has "a number of things on the drawing board, but none that I can talk about right now."

However, Brant of Sentry told *NHCN* that several of its wholesaler-members were looking into the development of a new store layout program, similar to those developed by hardware co-ops like Hardware Wholesalers Inc., and Ace Hardware. "It may even come out as something from corporate, but nothing's definite right now," he said.

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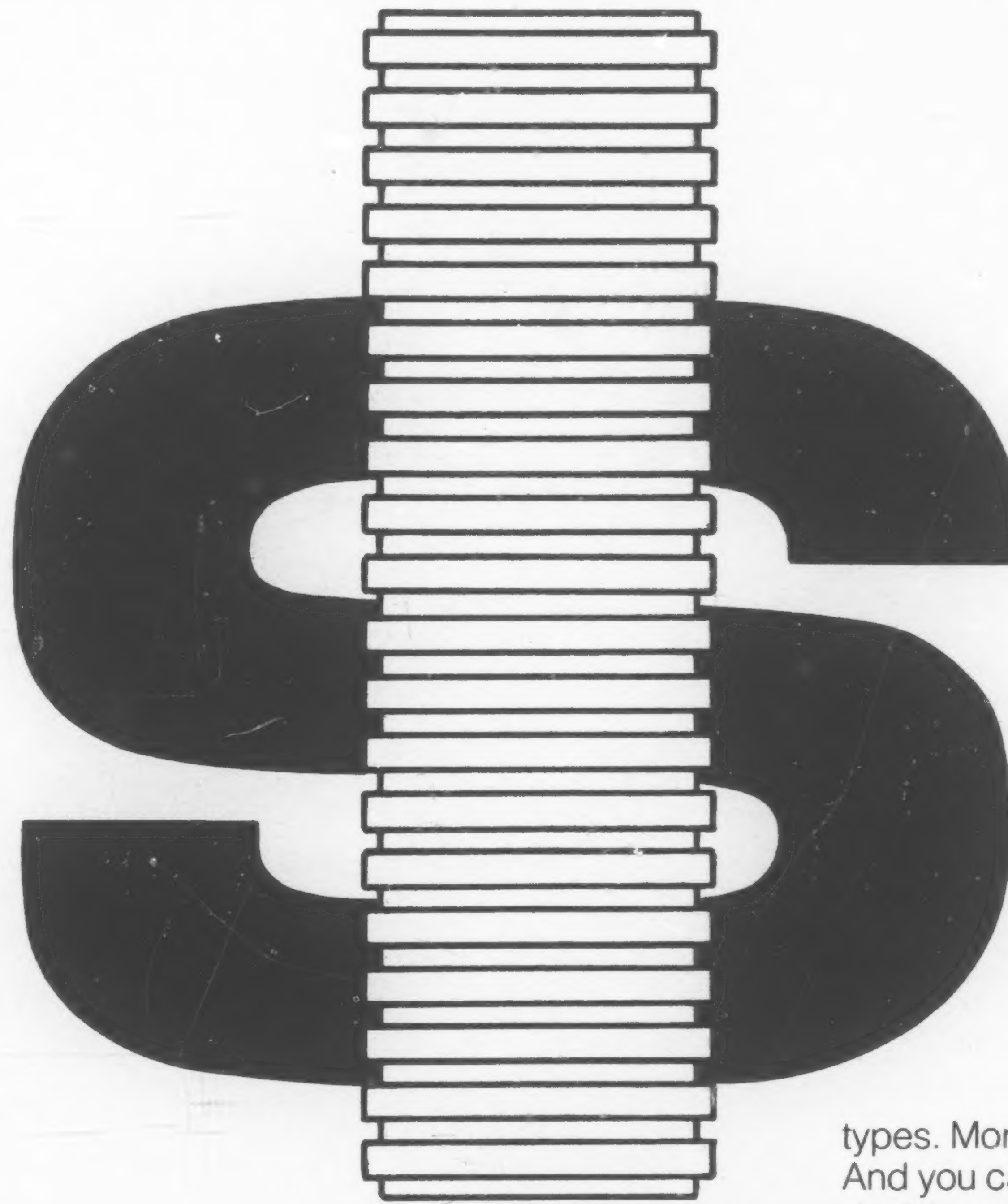

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Plastic

Steel

A 10-year retrospective of the *NHCN* Top Ten

(Continued from page 31)

1976

Lowe's was again the top achiever in terms of total volume in 1976, moving more goods out of fewer units than did Wickes. Evans retained its No. 3 place while National Building Centers (NBC), the subsidiary of Lone Star Industries, Greenwich, Conn., moved up to fourth place.

Lowe's latest prototype store positioned home decorating items up front and placed more emphasis on selling total kitchen and bath packages. More hardware items were also added.

While NBC was able to lure Joseph Reinhardt, formerly with Lowe's, out of retirement to run the chain, he resigned in the summer of that year.

Central Hardware, which appeared on the top 10 list this year, said it would scale down its 65,000-sq.-ft. prototype to 55,000 sq. ft.

At Payless Cashways, changes were made in the executive suite. J. Stanley Covey moved from executive vp to president and ceo, then took over the chairmanship when Robert Lincoln resigned the post. Oran E. Watson became president.

The first home center show debuted in Chicago, in March, attracting some 10,000 retailers and wholesalers. Forecasting dramatic growth in the industry over the course of the next decade, Lowe's Walker held up $1 million, saying, "How many of you have ever seen a million dollars? Well, here it is."

84 Lumber became a coast-to-coast chain by opening its first West Coast units in the California cities of San Jose and Stockton.

In other 1976 news:

- Central Hardware attracted some 290 exhibitors to its first annual DIY show.
- Dealers across the country were scrambling to claim store sites from W. T. Grant, the bankrupt retailer. In the New Jersey towns of Cherry Hill and Cinnaminson, Channel and Builders Emporium fought over some Grant sites. Channel eventually won the sites, but not before a threatened antitrust suit by BE alleging that Channel had bid $280,000 for the leases to "eliminate competition."
- Wholesaler Cotter & Co. said it wanted to add 350 to 500 dealers to its recently introduced precut lumber program.

1976

Chain	Total Volume (millions)	% DIY	No. of Units
Lowe's	594*	43	158
Wickes Lumber	504	45	262
Evans (Grossman's, Moore's, Alamo)	343	73	247
National Building Centers (Cooper, Ward and Harrington, Warner, Stewart, Lindsley, Pinellas)	323	45	144
84 Lumber	224	60	162
Handy Dan/Angels	154**	100	61
Payless Cashways	134	95	45
Builders Emporium (N.J.)	140	100	56
Diamond International	128	25	61
Central Hardware	112	100	25
Total	2,656		1,213

*Figures for fiscal year ended July 31, 1977
**Figures for fiscal year ended Aug. 31, 1977
Source: NHCN

1977

The top 10 home center companies posted healthy gains in 1977. Wickes and Lowe's traded places in the No. 1 and No. 2 spots.

Early in the year, the W. R. Grace conglomerate entered the home center business by purchasing Channel, with its 33 stores, and Handy City, with 13 stores. Grace also tried to purchase Ole's, but terms could not be reached.

As the housing industry recovered from its slump, lumber prices skyrocketed. By late summer, prices had risen by some 25% to 30% over a 90-day period.

Gypsum board shortages began to arise across the land. Price increases by as much as 40% over a six-month period were reported.

NBC hired Nicholas Kane, formerly group merchandise manager at Sears, as national merchandise manager for its 144 stores. The company planned to install a common buying program, as well as a common store name: Lonestar Building Centers. (Adoption of the name was short-circuited; see 1979 report.)

Agache-Willot, a French conglomerate which owned the now-defunct Korvettes discount chain, failed in an attempt to acquire Gamble-Skogmo. (Wickes acquired that chain in 1980.)

When Forest City held midsummer energy fairs in Chicago and Cleveland, it reflected the nationwide passion for energy products. Fiberglass insulation, in short supply and on allocation, flew out of the stores. So did other energy-saving products.

(Continued on page 107)

1977

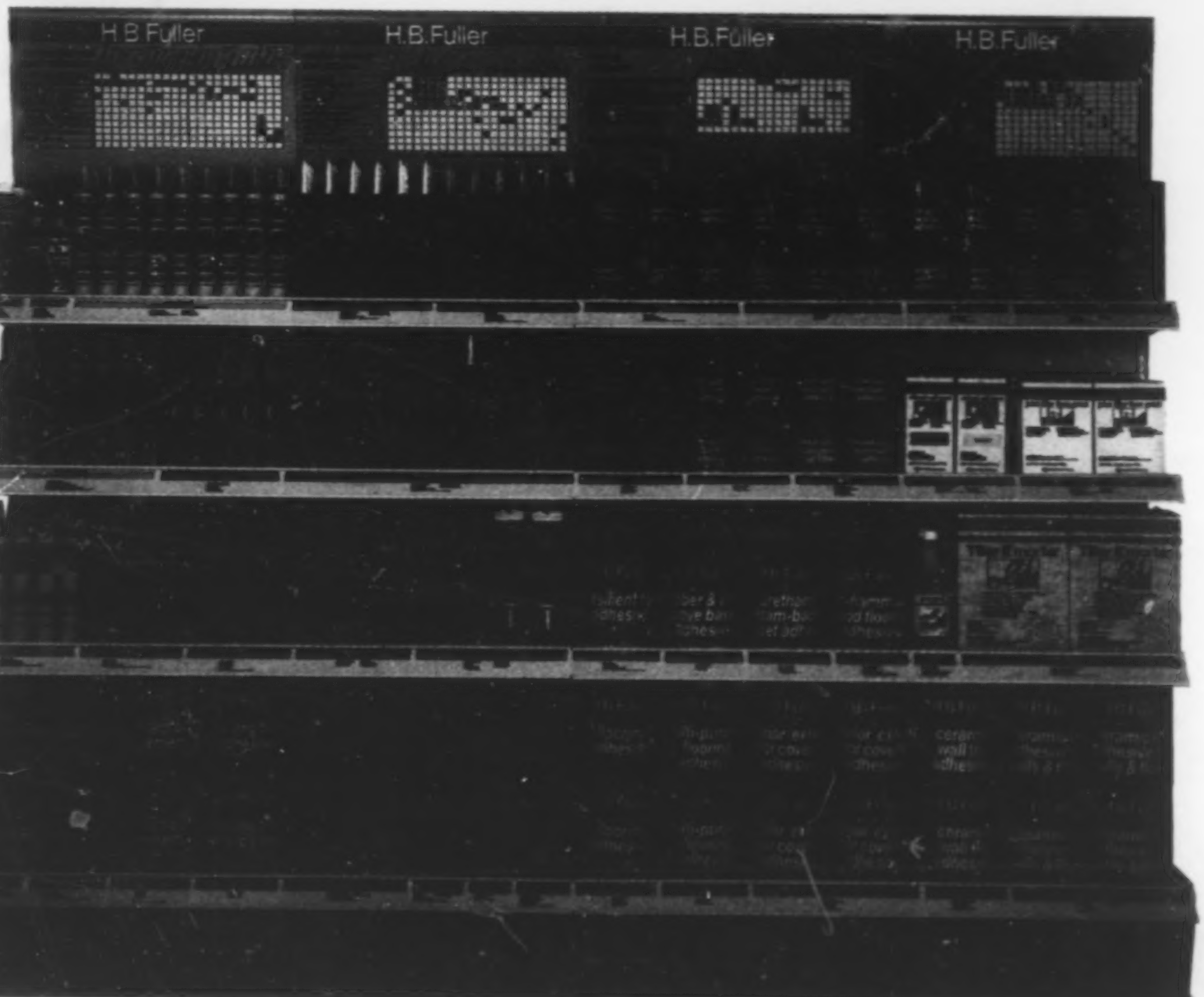
Chain	Total Volume (millions)	% DIY	No. of Units
Wickes Lumber	691	35	262
Lowe's	662	38	185
Evans Products (Grossman's, Moores, Hubbard & Johnson, Alamo)	420	70	268
National Building Centers (Cooper, Ward and Harrington, People, Warner, Cashway, Lindsley)	406	32	155
84 Lumber	300	40	200
Diamond International	190	20	61
Payless Cashways	183	95	52
Handy Dan	154	100	63
Handyman	147	100	58
Ernst Home Centers	135	100	44
Total	3,288		1,348

Source: NHCN

Introducing by Colors

H.B. Fuller adhesives are easy to display, easy to find because products are organized into four color-coded families: construction and repair adhesives (brown); caulks and sealants (red); flooring adhesives (green); ceramic tile adhesives and care products (blue).

The new H.B. Fuller merchandising program that makes adhesives easy to see so they're easy to sell.



Boost visibility and lighten your paperwork by ordering all your adhesives from one reliable supplier. Color-coded families are versatile enough to work by themselves in a 2-or 4-foot display. Or arrange 8-foot, 12-foot or larger displays to create a comprehensive, vertically merchandized adhesive center.

A 10-year retrospective of the *NHCN* Top Ten

(Continued from page 106)

1978

1978

Chain	Total Volume (millions)	% DIY	No. of Units
Wickes (Wickes Lumber, Builders Emporium)	957*	43	309
Wickes Lumber (Wickes)	813	41	NA
Lowe's	793	41	199
Evans (Alamo, Grossman's, Hubbard & Johnson, Lindsley, Moores)	510	71	272
84 Lumber	375	60	219
Boise Cascade	300	20	110
Grossman's (Evans)	290	80	172
Diamond Lumber	220	22	117
Payless Cashways (and Furrow)	248	100	60
Scotty's	201	60	72
Handy Dan/Angels	180	100	68
Handyman	168	100	64
W. R. Grace (Channel, Handy City)	160	98	100
Total	3,932		1,522

*Fiscal year ended June 30, 1978

Source: *NHCN*

1979

Chain	Total Volume (millions)	% DIY	No. of Units
Wickes (Wickes Lumber, Builders Emporium)	991*	49	323
Lowe's	905	43	209
Wickes Lumber (Wickes)	842	41	270
Evans (Alamo, Grossman's, Hubbard & Johnson, Lindsley, Moore's, Steel City)	632	77	328
W. R. Grace (Angels, Cashway, Channel, Green/Harris, Handy City, Handy Dan, Orchard)	557	90	225
84 Lumber	450	50	300
Boise Cascade	382	30	108
Diamond Lumber	350	25	121
Grossman's	325	85	183
Payless Cashways (with Furrow)	316	100	69
Scotty's	201**	65	74
Sutherland Lumber	190	70	70
Total	4,974		1,827

*$1.4 billion if wholesale operations and overseas sales are included.
**Fiscal year ended June 30, 1979

Source: *NHCN*

W. R. Grace made its first appearance on the top 10 chart in 1978, when its acquired chains—Handy City bought in 1976; Channel, 1977—did some $160 million, putting the conglomerate in ninth place. Scotty's also made its first appearance, positioned at the No. 8 spot.

Wickes became the first chain to come within shouting distance of the one billion dollar mark. Its 1978 sales totaled $957 million.

Handy Dan president and chairman Bernard Marcus, and company vice president, secretary and treasurer Arthur Blank, were ousted. Sanford C. Sigoloff, chairman of parent company Daylin, took over as chairman of Handy Dan.

Both Marcus and Blank surfaced later in the year at Homeco, a warehouse home center operation in Lakewood, Calif., founded by former National Lumber vice president and general manager Pat Farrah. A deal planned by the three fell through, and Homeco entered Chapter 11 in October. The following year, all three surfaced in Atlanta to found the Home Depot.

Wickes purchased the 47 West Coast and 12 East Coast Builders Emporium stores from Vornado. Later in the year, Grace bought the East Coast units from Wickes and renamed them Channel.

In other 1978 news:

- Ceiling fans made their first serious appearances at home centers.
- Lawn and garden departments began to produce more volume.
- Home centers offered telephone equipment for the first time.
- Snow throwers enjoyed heavy movement in the industry. In subsequent years lack of snow left suppliers and retailers alike stuck with over-orders.

1979

Wickes again took the No. 1 position, and again was just shy of a billion dollars in sales. It achieved sales of $1.4 billion when wholesale and overseas business is considered. The chain had 323 units.

W. R. Grace made a rapid rise on the top 10 chart, reaching the No. 4 position from its No. 9 spot the year before. Sutherland Lumber, with $190 million in sales, reached the No. 10 position.

The most dramatic news of the year was the sell-off of the 150 home centers belonging to the $500 million National Building Centers, owned by Lone Star Industries, Greenwich, Conn. Various divisions of the company were bought by Boise-Cascade, Cotter & Co., Wickes Cos., and Evans.

Wickes reshuffled its executives, and decentralized decision making to put more management muscle in the field, in an attempt to strengthen its position among consumers. The move came as a reaction to the housing downturn of 1974-75, when contractor sales were hurt.

Lowe's introduced a new credit card system, and a larger prototype store, with a showroom of $13,000 sq. ft. The chain's older stores had showrooms of some 5,000 sq. ft.

W. R. Grace added both Daylin Inc. and Orchard Supply to its fold, merging them into a subsidiary, Grace Retail Inc.

A new home center division, headed by William R. Reilly, was spun off from the retail division of Grace.

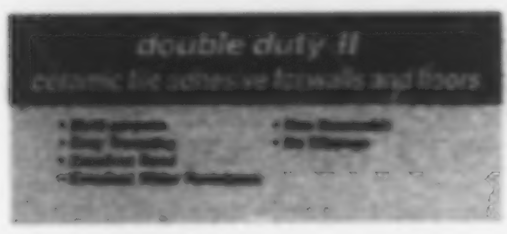
Georges Hanzi, founder and president of Handy City, left that chain but remained with Grace as a consultant.

(Continued on page 109)

Profit

The first thing your customers will notice about H.B. Fuller products is that they can't help but notice them. Bold colors and eye-catching graphics capture their attention and lead them through four simple steps to the final sale.

Step 1. Our new display header makes the complicated simple. An easy-to-use chart cross-references projects with products to help your customers identify the adhesives, caulks and sealants they need by name and label color.

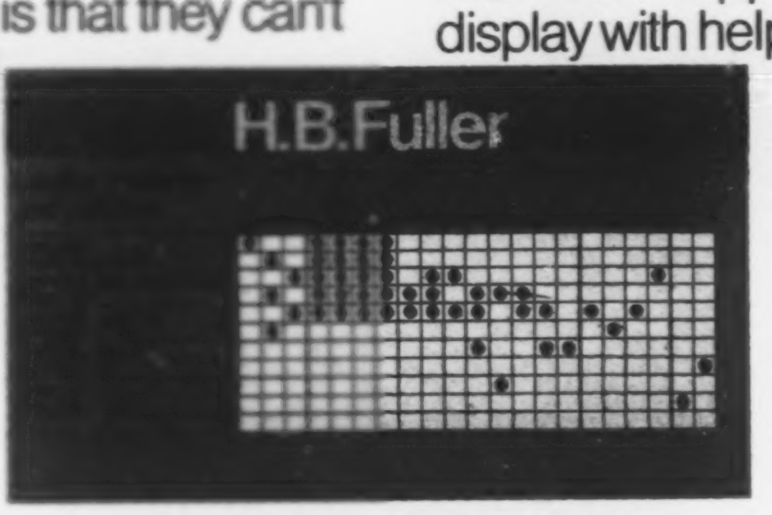


Color-coded shelf talkers make products easier to locate and easier to maintain and re-stock.

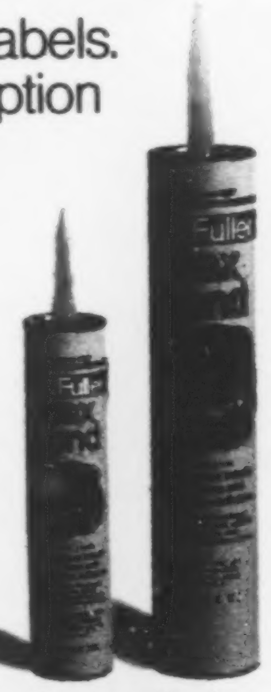
Step 2. Once your customers know what they need, color-coded shelf talkers direct them to the product location on your shelves. Shelf talkers make it easier for you to re-stock too.

Step 3. Your customers won't have to track you down with questions because we've put the answers right on our new labels. The product name and description is identified with a clean, boldface type. And on the back of every label, your customers will find simple-to-follow instructions.

Step 4. To complete the sale, H.B. Fuller supplies each display with helpful "How To" literature. Your customers can refer to these comprehensive brochures to plan future projects and purchases.



Our easy-to-use display header guides your customers—unassisted—to the right product for their project.



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A 10-year retrospective of the *NHCN* Top Ten

(Continued from page 107)

1980

Wickes Cos. retained its No. 1 spot in 1980, although sales dropped to $906 million. Lowe's was again in second place, with $884 million in sales.

Sales at W. R. Grace increased by some 27% putting the conglomerate solidly in the No. 3 spot.

While Lowe's gains were impressive, the home building slump was blamed for the chain's failure to reach its coveted $1 billion goal. The company said it would foster more consumer sales by rolling out its RSVP program into 115 units by Jan. 31, 1983. Cost of the retrofit per store was said to be some $100,000.

Lowe's stockholders approved a plan to increase common stock shares from 20 million to 50 million.

Wickes spent some $185 million in cash and stock to buy the Gambles-Skogmo chain early in the year, an acquisition that produced the substantial debt that was a main factor in Wickes 1982 bankruptcy filing.

A decline in net income and a debt-financed expansion program may have precipitated Payless Cashways' replacement of Oran Watson with David Stanley as president of the chain. Stanley's background as executive vp of an investment firm, Piper, Jaffrey & Hopwood, Minneapolis, might have been seen as a major plus.

Boise Cascade slowed its frenetic pace of home center acquisitions in 1980. The chain closed three units where the volume was insufficient to maintain the required level of profitability.

The chain remerchandised 11 Houston-area stores acquired from Lonestar, and renamed them Boise Cascade Building Materials Centers.

1981

Emerging from a tough 1980, home center operators began asking if 1981 would be a shakeout year for the industry. Sales for the year were not significantly higher in most cases than those for 1980, and most companies stayed in their same positions on the top 10 chart.

W. R. Grace surprised the industry by saying it would sell 50% of its home center, sporting goods, western wear and jewelry business to Dutch retailing giant, Vroom & Dreesmann B.V. The idea was dropped later in the year. Frank Denny was named Grace's new home center division president, replacing William Reilly, who left for Macmillan publishing company.

Also early in the year, Asa Jennings was brought aboard Wickes as director of planning for the home center operation. He was formerly vice president-administration for Terry Building Centers, Tarzana, Calif.

Home Depot went public in August. The chain, which was then two years old, had four stores in Atlanta at the time, and offered 600,000 shares of common stock through Bear, Stearns & Co.

In other 1981 news:

- Robert McNulty was named vice president merchandising and operations at Grace.
- Wickes Lumber cut 20% of its staff in October, but also opened its first "super home center" in Dickinson, N.D.

(Continued on page 117)

1980

Chain	Total Volume (millions)	% DIY	No. of Units
Wickes Cos. (Wickes Lumber, Buliders Emporium)	906*	53	342
Lowe's	884	48	214
Wickes Lumber (Wickes)	761	43	280
W. R. Grace (Angels, Cashway, Channel, Green/Harris, Handy City, Handy Dan, Orchard)	707	90	249
Evans Retail (Alamo, Grossman's, Hubbard & Johnson, Lindsley, Moore's, Steel City)	693	83	345
84 Lumber	505	50	320
Payless Cashways (incl. Furrow)	383	100	78
Boise Cascade	356	47	103
Grossman's (Evans)	350	90	200
Diamond Retail	300	25	126
Scotty's	246	69	81
Ernst Home Centers (Ernst, Pay 'n Save, Von Tobels)	217	10	69
Total	5,197		1,927

*$1.3 billion if wholesaling activity and overseas sales are included.

Source: *NHCN*

1981

Chain	Total Volume (millions)	% DIY	No. of Units
Wickes Cos. (Wickes, Builders Emporium)	972*	55	340
Lowe's	888	46	229
Wickes Lumber (Wickes)	807	47	278
W. R. Grace (Angels, Cashway, Channel, Handy City, Handy Dan, Orchard)	794	95	264
Evans Products (Alamo, Grossman's, Hubbard & Johnson, Lindsley, Moore's)	756	84	348
84 Lumber	550	55	350
Payless Cashways (incl. Furrow)	479	95	100
Grossman's (Evans)	387	92	204
Sutherland Lumber	350	70	74
Boise Cascade	326	47	96
Scotty's	294	70	83
Diamond International	277	28	124
Total	5,686		2,008

*$1.4 billion if wholesaling activity and overseas sales are included.

Source: *NHCN*

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Manufacturers sing an upbeat tune in 1984

By Ronald R. Gurczynski
NHCN associate editor

NATIONAL REPORT — While the top 100 home center retailers increased their 1984 sales revenue by 18% according to the *National Home Center News* annual report on the home center industry, the manufacturers that supply the industry reported similar sales success for last year.

In a survey of the top 50 manufacturers conducted by the American Hardware Manufacturers Assn., 96% of the respondents reported sales increases in 1984. Those sales increases averaged 17%, while profits increased by 20%.

"The remarkable increase in profitability is the result of really sustained and effective efforts by manufacturers to reduce costs," said John Baker, AHMA manager of member services. The Schaumburg, Ill.-based organization also reported that many members were very optimistic for 1985.

"Naturally, there were variations on the theme, but most home center suppliers reported much better sales and earnings in 1984 than in 1983," said Salomon Brothers analyst Barbara Alexander. "Repair and remodeling activity was strong last year and housing was better."

What makes the manufacturers' financial results even more impressive is that the companies increased sales and earnings in a period of low inflation. As John Baker pointed out, this implies improved operations and marketing efforts on the part of suppliers.

> *'Naturally, there were variations on the theme, but most home center suppliers reported much better sales and earnings in 1984 than in 1983.'*
>
> —**Barbara Alexander**
> *Salomon Brothers vp*

"We had a record sales year last year and I attribute much of that to better planning and more aggressive merchandising on our part," said Dick Fuchs, president of The Enterprise Companies of Wheeling, Ill. Enterprise, which supplies paint to such home center retailers as Lowe's, Courtesy and O'Malley's, saw 1984 sales rise 20% over 1983.

"What's very interesting here is that the manufacturers couldn't raise their prices, yet they were able to boost their results for the year," said Alexander adding that roofing remained a problem in 1984, but earnings for roofing manufacturers were improved.

Many manufacturers reported record breaking performances. At Dallas, Tex.-based National Gypsum, sales were up 52%, and profits shot up 116% to set new records. All time sales and earnings highs were also reported by The Stanley Works, of New Britain, Conn., with sales up 18% and earnings up 37%, and by Black & Decker of Towson, Md., where earnings were up a huge 142%, with sales ahead by 37%.

A big boost to sales and earnings figures in 1984 came from the healthy U.S. economy, where more people held jobs and their income was aided by a low rate of inflation. The national unemployment rate dropped to 7.2% in December 1984, while the inflation rate stayed below the 4% level. In addition, by Dec. 31, 1984, the prime lending rate—the interest rate banks charge their most credit worthy customers—had stopped at 10.75%, lowering the cost of borrowing for businesses and consumers. More importantly, from a building materials standpoint, mortgage rates hovered near the 13.1% mark by year-end, providing greater incentive to would-be home buyers.

Building Materials

Building materials, which make up 21.3% of net sales in retail home centers, according to the National Retail Hardware Assn./Home Center Institute, enjoyed a healthy 1984. Building materials manufacturers did well by shifting partially away from dependence on new residential construction toward more commercial uses of their products.

Standout performers in profitability included Chicago's USG, up 132%, and National Gypsum, up 116%. "The good results of the gypsum companies reflects the strong demand for gypsum in the commercial sector," commented Barbara Alexander. "It's being used more and more in commercial construction, it's not subject to attack by imports and there's not a lot of excess in the world."

Lumber

The year 1984 was not a great one for lumber suppliers, however. Still, forest products companies, like Georgia-Pacific, that are diversified into other lines of building materials or in paper and packaging, faired better than their more lumber oriented competitors.

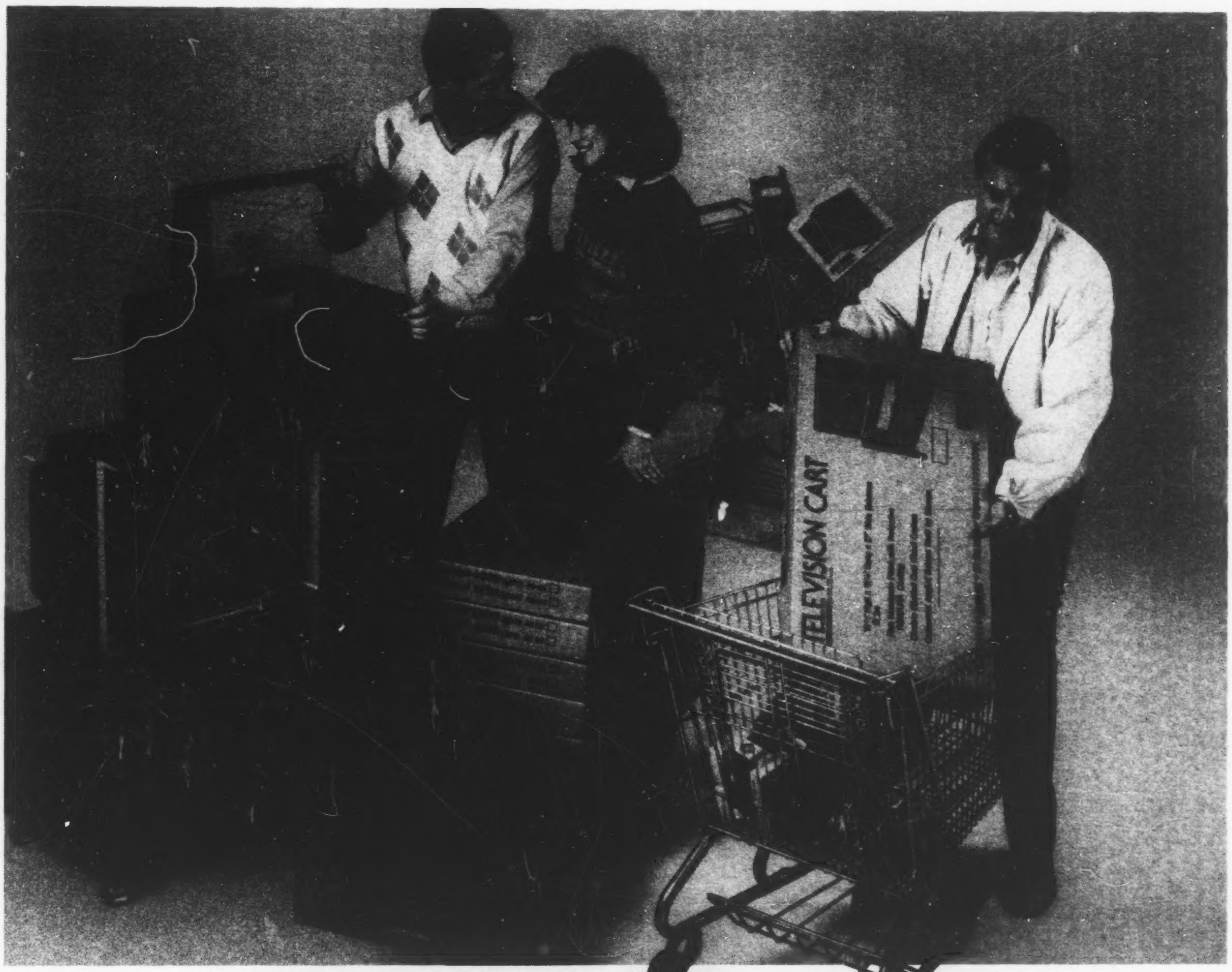
The industry was dogged by depressed lumber prices throughout the year. Prices were kept low by overproduction and a strong U.S. dollar that made less expensive Canadian lumber more attractive to lumber buyers. The strong U.S. dollar also hurt much of the lumber companies' export business by making U.S. lumber more expensive compared to native production.

Many manufacturers closed lumber mills and plywood plants to limit production, while the Federal Government came to the rescue by allowing manufacturers to buy part of their way out of their timber contracts. In addition, the U.S. Forest Service moved toward timber contract terms that should end speculation on National Forest Timber sales.

In 1984, some companies continued their moves away from a strict lumber orientation and toward paper and packaging. For example, in 1978, Southwest Forest Industries reported that 52% of its sales were in wood, while in 1984, 25% of sales revenue came from lumber and plywood sales.

Problems in wood products last year caused Champion International of Stamford, Conn., and Dallas-based International Paper to report deficits for the year. But despite all of the industry's red ink, overall profits were up, particularly in those

(Continued on page 112)



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Industry suppliers sing upbeat tune in 1984

(Continued from page 110)

companies heavily involved in pulp and paper.

Profit winners included Georgia-Pacific of Atlanta, with a 237% increase in earnings; New Orleans-based Louisiana-Pacific, up 51% and Potlatch, of San Francisco, with an increase in earnings of 23%. Georgia-Pacific's increase parallels the high earnings recorded by other companies involved in paper and packaging like Mead, Jefferson-Smurfit and P. H. Glatfelter.

Hardware, Hand and Power Tools

Demand for hand tools, which usually lags one or two years behind housing demand, was strong in 1984. Hand tool manufacturers had a profitable 1984 and securities analysts are forecasting more of the same for 1985.

"In the do-it-yourself end of the market, sales have been increasing at a rate of about 20% a year," said David Liebowitz, analyst at The American Securities Corp.

The Stanley Works, of New Britain, Conn., recorded record profits last year while sales and earnings were up at Louisville, Ky.-based Vermont American.

But at The Easco Hand Tools Division of Springfield, Mass., which supplies Sears, the story was different.

Although sales were up 12% for the year at Easco, the parent company, slumping activity in hand tools drove the firm to report a $9 million loss for 1984. The company has been squeezed by costs related to modernizing several tool plants and by holding on excessive inventories.

At Stanley, sales were up 18%, to $1.2 billion and earnings were up 37% to $72.3 million. Stanley's hand tools sales increased 11%, while the firm's entire consumer division—which includes hand tools, consumer hardware and garage door openers—saw profits rise 28% with sales for the consumer division at $431.5 million, an 8% increase over 1983.

"Nineteen hundred eighty-four was a pretty good year for Stanley and 1985 looks decent," said Mike Flament, analyst at New York City-based Wright Investors. "About three years ago Stanley management committed itself to reducing costs and improving productivity, looking toward the upcoming major challenge of foreign imports. Imports are not a threat at the moment, but they could possibly cause future problems."

Flament added that both Stanley and another tool maker, Snap-On-Tools, have good long-term records and he expects both firms to post 10% earnings increases in 1985.

Vermont American, a large manufacturer of power tool accessories, reported an 18% increase in 1984 sales to $225.9 million. Profits jumped to $17.1 million, a 22% increase over 1983's earnings.

At Black & Decker, located in Towson, Md., Consumer Products division sales, which make up 78% of the company's consolidated sales since the acquisition of General Electric's Housewares division, were up 36% in 1984. Without the G.E. purchase, those sales would have risen 10%. Profits for the Consumer Products division were up 142% over 1983. Black & Decker president Lawrence Farley attributed the firm's 1984 performance to the success of new products, like the M47 line of power tools, and cost cutting efforts. In addition, strong economies around the world provided a favorable environment in which to do business, Farley added.

Plumbing, heating and cooling

In plumbing, heating and cooling, 1984 saw substantial increases in the demand for plumbing fixtures and fittings, fireplaces and doors because of a fairly healthy homebuilding year. But earnings of some companies, like American Standard, were impacted by the strength of the U.S. dollar on overseas markets.

At the American Standard Co. of New York City, profits companywide were up 68%, with sales up 60%. In the Building Products division, which supplies products to home center retailers, division sales were up 5%, to $780 million, while profits rose 6%, to $83 million.

"In the Building Products area, American Standard had difficulties in terms of the strong dollar in foreign markets," said Ihor Pendakiwskyj, analyst at Wright Investors. "Their foreign 'china' business, sinks, lavatories, tubs, were a problem abroad. But, we like the company and we're looking for 7% earnings growth this year." Pendakiwskyj said there were many changes at American Standard last year—the firm acquired Trane and sold its construction machinery and business for publishing businesses.

Waxman Industries, of Bedford Heights, Ohio, reported year-to-date sales for 1984 were up 109.7%, to $40.9 million, while earnings rose 20%, to $1.2 million. Indianapolis, Ind.-based Masco, parent of Peerless Faucet, recorded an 8.7% increase in 1984 profit, to $115.9 million, while sales declined to $1.02 billion, down 3.8%.

Paint and home decor

Many of the paint manufacturers, like The Enterprise Companies, racked up increased revenues and profitability. De Soto had sales revenue of $407.4 million, a 22.7% increase over 1983, while its profits rose 10.7%, to $19.6 million. And Sherwin-Williams of Chicago recorded a 17.3% jump in profitability, at $65 million, as the firm's sales climbed 5.2% to $2.075 billion.

At Lancaster, Pa.-based Armstrong World Industries, where 53% of its sales come from flooring, 1984 net sales rose 9%, to $1.6 billion, while profits increased 43% to $156.6 million. Wooster, Ohio-based Rubbermaid had an 18% increase in both revenue and earnings for 1984—sales were $566.4 million and earnings were $46.9 million.

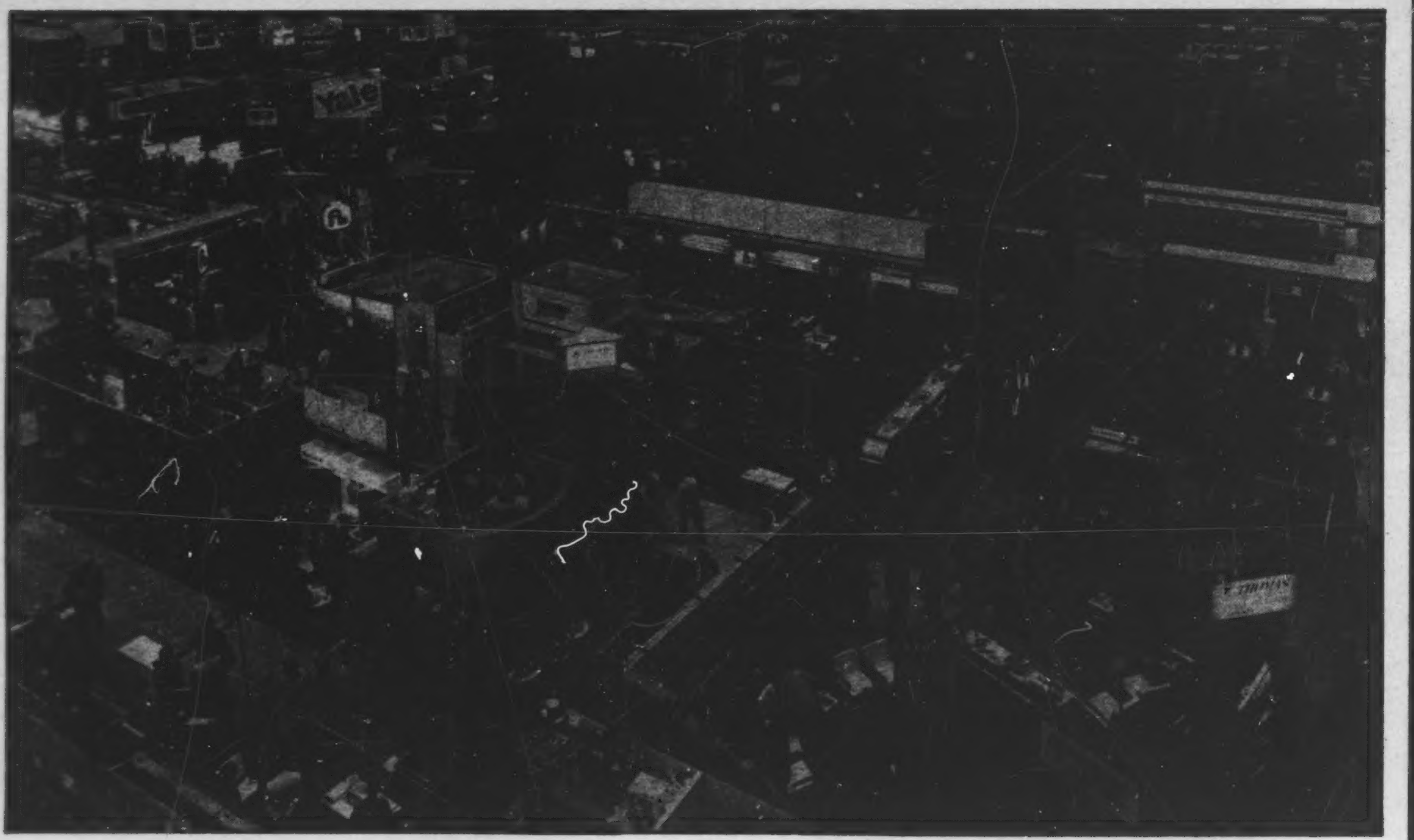
Clopay Corp., in Cincinnati, Ohio, recorded $134 million in net sales last year. Charles Howard, Clopay's marketing communications manager, said his firm's Household Products division realized sales of $93.1 million and earnings of $4.2 million. That's a 9.5% growth in sales and a large 40% growth in earnings.

"All window coverings did well, especially window shades. Our new line of steel garage doors also performed nicely," added Howard.

Fred Kandel, sales vp at Philadelphia-based, privately held Delval Lighting, said, "We had a substantially good year. We added several new home center customers and we showed increased sales in existing home centers." Kandel sees "major gains again for 1985

Outdoor power equipment

Makers of outdoor power equipment had a good year in 1984, with substantial increases in most major product categories. "We recorded a 13% increase overall in shipments of outdoor power equipment," said John Liskey, director of statistics for the Washington, D.C.-based Outdoor Power Equipment Institute. Liskey added that manufacturers have gotten smarter in marketing the newer safety features found on today's outdoor power equipment, features that were mandated by the Federal Government in June 1982.



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B ☐ Retailer
C ☐ Manufacturer
D ☐ Mfgrs. Agent
E ☐ Import/Export
F ☐ Other ____

TITLE/FUNCTION
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E ☐ Other ____

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B ☐ Independent Wholesaler
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B ☐ Lawn & Garden
C ☐ Housewares
D ☐ Hand & Power Tools
E ☐ Automotive
F ☐ Plumbing
G ☐ Electrical
H ☐ Bldg. Supply materials/tools
I ☐ Heating/cooling
J ☐ Outdoor Living
K ☐ Sporting Goods
L ☐ Paints/sundries
M ☐ Wall coverings
N ☐ Floor coverings
O ☐ Ceiling products
P ☐ Lumber/plywood
R ☐ Furniture: KD, outdoor, indoor
S ☐ Major appliances
T ☐ Kitchen cabinets
U ☐ Bathroom fixtures

RETAILERS ONLY
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B ☐ Home Center
C ☐ Lawn & Garden/patio
D ☐ Mass Merchandiser/Disc. store
E ☐ Lumber/Bldg. supplies
F ☐ Automotive supplies
G ☐ Other ____

NUMBER OF STORES
H ☐ One store
I ☐ 2 4 stores
J ☐ 5 or more stores

TOTAL ANNUAL SALES
K ☐ up to $500,000
L ☐ $500M to $1,000,000
M ☐ 1 to 5 million $
N ☐ If over 5 million, indicate to nearest million ____

TYPE OF OPERATION
O ☐ Co-op/Member Dealer
P ☐ Independent
R ☐ Chain

NH-1

A 10-year retrospective of the *NHCN* Top Ten

(Continued from page 109)

1982

For the home center industry, the year 1982 brought two major events: Wickes declared bankruptcy and Evans was placed on the block.

At the same time, evidence of positive growth appeared. Lowe's reached a coveted goal when it became the first chain to top $1 billion in sales. And, Pat Sher announced late in the year that he would start a new chain of major warehouse-type home centers, to be called HomeOwners Warehouse.

Wickes' acquisition of Gamble-Skogmo in 1980 was seen as one of the major factors leading to its bankruptcy in April of 1982. The company had accumulated over $1.98 billion in debt by the time it filed for protection under Chapter 11.

The Evans Retail home center group was place on the block because of its health rather than because of losses. Its parent company—Evans Products—was experiencing losses from its shelter products, forest products, and custom-built home divisions.

Late in the year, Woolco went out of business, in the process making its sites available for future expansion by warehouse home center operators.

Payless Cashways bought a number of stores from Brookhart Building Centers, Colorado Springs, Colo., and additional units from Dunlap's, which was owned by Southwest Forest Industries.

In other 1982 news:

- Somerville Lumber opened its second store.
- Robert McNulty resigned from Grace; Georges Hanzi was named president of Homecrafters.
- W. R. Grace divested itself of Green/Harris.
- Payless Cashways bought Lumberjack, the California chain.

1983

Home center chains experienced strong recovery in 1983, a year that also saw the rapid growth of warehouse home centers.

Lowe's not only experienced its second "$1 billion plus" year in a row, but increased its sales by some 38%, pulling well ahead of second place W. R. Grace, which became the second chain to join the billion dollar club.

Wickes, which had dropped from first to fourth place in 1982 following its bankruptcy, showed a 37% sales increase.

Pay 'N Pak purchased Bonanza Building Centers from Burns Phelp, an Australian conglomerate that had bought the chain from W. R. Grace just two and a half years before.

Lanoga purchased eight Wilamette units, a move that came on the heels of its acquisition of the five-store Lumbermen's the previous spring.

Pat Sher sold then one-store HomeOwners Warehouse, now called Mr. HOW, to Service Merchandise for $14 million in stock.

Frank Denny rolled out his new HomePro Warehouse, while W. R. Grace brought a lawsuit against his company, Home Centers of America, alleging that he and other former Grace employees developed their new company while on Grace's payroll.

Payless Cashways acquired Hugh M. Woods, which had sales of $85 million in 1982. The move gave Payless dominance in the Denver market.

Knox Lumber, National Lumber, Homecrafters Warehouse, and Mr. Goodbuys, all announced they would go public. However, one-third of Mr. Goodbuys was later acquired by Vendex International, formerly Vroom & Dreesmann.

1982

Chain	Total Volume (millions)	% DIY	No. of Units
Lowe's	1,034	55	235
W. R. Grace (Angels, Cashway, Channel, Handy City, Handy Dan, Orchard)	875	96	273
Evans Products (Alamo, Grossman's, Hubbard & Johnson, Lindsley, Moore's)	790	88	341
Wickes Cos. (Wickes Lumber, Builders Emporium)	618*	61	297
Payless Cashways (incl. Furrow)	603	95	100
84 Lumber	600	60	354
Wickes Lumber (Wickes Cos.)	507	50	239
Grossman's (Evans)	350	95	174
Sutherland Lumber	345	90	75
Scotty's	324	77	100
Boise Cascade	310	50	93
Channel (Grace)	260	100	91
Hechinger	241	100	34
Total	5,740		1,902

*$971 million if wholesaling activity and overseas sales are included.

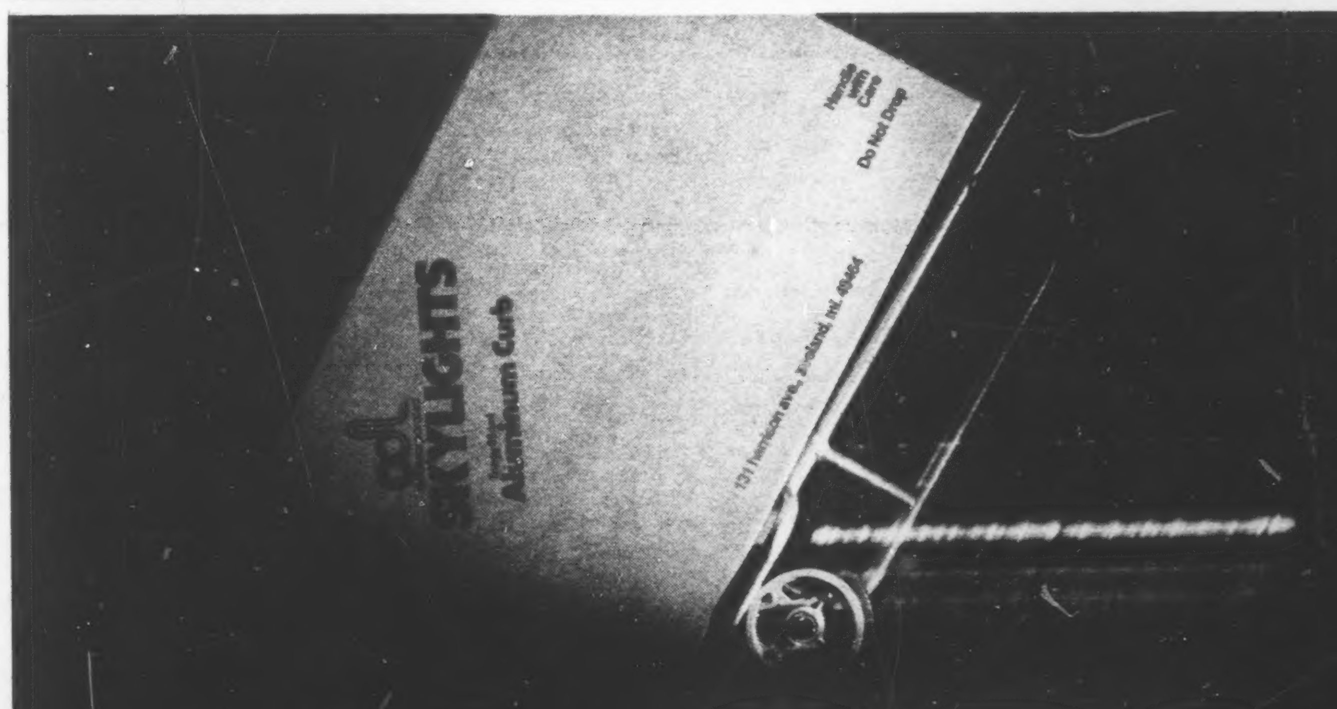
Source: *NHCN*

1983

Chain	Total Volume (millions)	% DIY	No. of Units
Lowe's	1,431	51	238
W. R. Grace (Angels, Cashway, Channel, Handy City, Handy Dan, House Works, Orchard Supply)	1,025	95	286
Evans (Alamo, Grossman's, Hubbard & Johnson, Grossman's West, Lindsley, Moore's)	928	85	345
Payless Cashways (incl. Furrow, Lumberjack)	864	95	118
Wickes Cos. (Wickes Lumber, Builders Emporium)	848*	57	282
Wickes Lumber (Wickes)	687	45	226
84 Lumber	630	60	374
Boise Cascade	440	40	85
Sutherland Lumber	423	90	82
Grossman's (Evans)	413	92	175
Handy City/Handy Dan/House Works (Grace)	401	100	131
Scotty's	399	68	105
Channel (Grace)	330	100	98
Hechinger	310	100	41
Total	7,298		1,956

Some figures on the above chart may not match those on the 1983 column of the new top 100 chart in this issue. The latter chart includes figures that have been restated by designated chains to reflect sales that would have been made by companies they purchased during 1983-84.
*$1.3 billion if wholesaling operations overseas sales are included.

Source: *NHCN*



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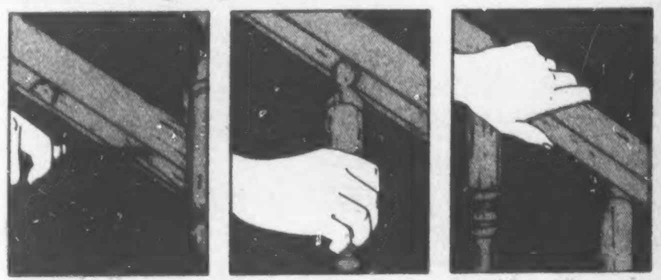

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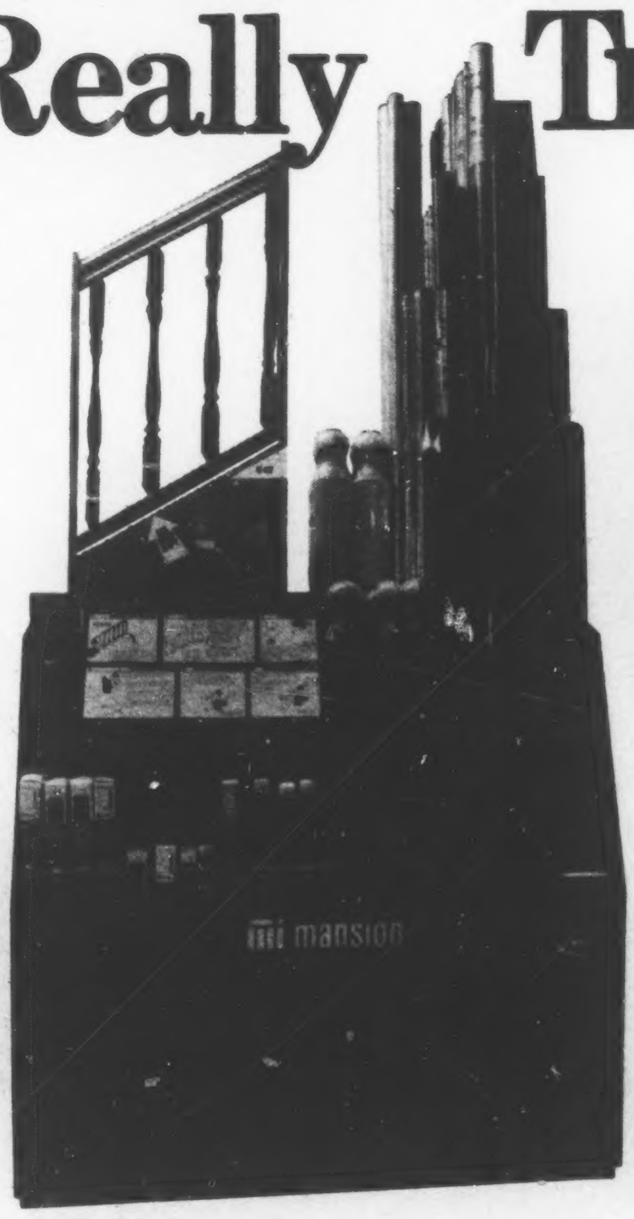

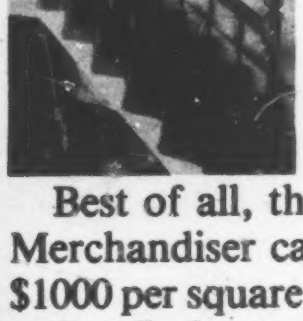

NLBMDA meeting focuses on growing deficit

(Continued from page 16)

the mortgage revenue bond program, according to material distributed by the NLBMDA at the conference, are that it is "ill-targeted," "ineffective" and that "abuses in the program run rampant."

Another tax issue—the proposed elimination of interest deductibility on second homes—raised similar concerns.

Support for the measure—which would limit deductions for all interest paid except on principle residences—came despite the possibility that it may "take away incentive to build second homes" and "increase taxes," according to Martin.

Horrocks, playing devil's advocate, noted that the elimination "encourages savings and discourages borrowing," because taxpayers would be required to "offset consumer interest deductions with interest earned in checking accounts and CDs."

Not surprisingly, much of the opposition to the proposed elimination was voiced by dealers from Southern states, where a considerable number of second or vacation homes are built.

Minnesota dealer, Roger Scherer, however, spoke out in favor of barring second home interest deductions, noting that "everyone wants a balanced budget and tax reform but nobody wants to pay for it."

Although Scherer's position garnered considerable support, the dealers still voted 60 to 82 against the Treasury's proposal.

The proposed elimination of Farmers Home Administration (FmHA) assisted housing programs also generated heated discussion on Federal spending.

As proposed in the Reagan Administration's 1986 budget, rural housing programs—including subsidized mortgage loans for single family homes and rental unit construction—would be eliminated for two years and reinstated through the Department of Housing and Urban Development.

According to Martin, continuation of the program at current levels would "cost about $2.6 billion in FY 86."

Martin also pointed out that in 1983 "18% of all FmHA housing loans were in default."

On the other hand, Horrocks noted that "at the end of 1981, FmHA had provided over 1.6 million homes for single-family homebuyers" and a total of "$5 billion worth of investment."

The final vote of 86 to 57 was in favor of supporting continuation of FmHA housing.

In contrast, a vast majority of dealers voiced support for a two year moratorium on HUD housing programs.

HUD programs could be eliminated without a serious effect on home construction because "a very small percentage of builders directly benefit from this extremely expensive program," according to a NLBMDA fact sheet.

Not surprisingly, the proposed elimination of tax-free employer-provided benefits drew broad opposition from dealers.

The tax reform, as proposed by the Treasury Department, calls for limiting tax free employer-provided health insurance and eliminating the exclusion for many other tax-free fringe benefits.

Despite Horrocks' point that the exemption amounts to a loss of $66 billion a year and "causes overconsumption of benefits," only a fraction of the dealers supported the tax reform.

Among the arguments for maintaining the tax free status, according to Martin, are that the elimination would "destroy the benefits of the President's three year cuts" and is a "hidden tax increase."

Dealers were in strong agreement, turning in a vote of 15 to 127 in favor of maintaining tax-free employer-provided benefits.

Highlighting the overall theme of the conference, lumber and building material dealers voted unanimously to continue support for the Grace Commission's recommendations.

FUTURES

Two weeks ended April 4, 1985

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.							
May '85	131.50	122.50	131.50	124.20	4,144	225.00	121.10
July	140.90	131.80	140.90	133.80	2,447	230.50	129.30
Sept.	147.40	137.80	147.40	139.60	901	197.50	135.50
Nov.	148.60	140.30	146.60	141.50	869	186.10	137.80
Jan. '86	154.40	146.00	153.80	147.00	234	187.30	144.60
March	160.00	150.50	159.30	151.50	63	188.20	149.00
May	163.00	155.50	163.00	155.00	31	164.50	153.00

Total Contract Vol. (Through 4/4): 15,911 Previous Two Weeks: 20,468
Total Open Interest (As of 4/4): 8,689 Previous Week: 8,230
Cash Price: $129.36 Previous Week: $125.44 Year Ago: $170.52

CME—Chicago Mercantile Exchange

*Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

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Super Saver Warehouse plans six additional units

MONROE, La. — The year-old Super Saver Wholesale Warehouse Club headquartered here will add six more stores this year to its single unit now located in Shreveport, La., said Jim Howard, executive vp and coo.

The store openings will begin in June and run through the rest of the year. They will be followed by another six to eight new locations slated for next year, he added.

Super Saver Wholesale Warehouse Club is a wholesale buying club selling a host of home improvement products including ceiling fans, lighting fixtures, auto supplies, hardware, hand tools, power tools, housewares, small and large appliances and electronics plus office supplies, some furniture and groceries, including frozen foods and dairy products. All merchandise is name-brand.

Each unit is or will be 105,000 sq. ft. carrying 4,500 to 5,000 stock keeping units. Margins are between 10% and 12%.

Although open in Shreveport only since last October, Howard said the Monroe, La.-based company will confine its expansion to the South, from Texas to South Carolina.

The company's new stores will be located in Mobile, Ala.; Montgomery, Ala.; Huntsville, Ala.; Little Rock, Ark.; Jackson, Miss., and Baton Rouge, La. Sites for Super Saver's 1986 openings have not yet been finalized, Howard said.

Each Super Saver store costs about $3 million to open, including inventory. Sales per unit are projected to be about $300 per square foot or approximately $31.5 million a year.

All Super Saver buildings are leased, built-to-suit units on 10 to 12 acres of land.

Super Saver Wholesale Warehouse Club is an A. Howard Wholesale Company, a family-run business.

The Howards were the founders of Howard Discount Stores in the late 1950's. That 80-unit operation is no longer a family business. It was sold to Gamble Skogmo in 1978 and then acquired by Wickes Co. in 1980.

L&G Expo slates speakers, topics for '85 seminars

LOUISVILLE, Ky. — The following speakers and topics have been chosen for seminars at the International Lawn, Garden and Power Equipment Exposition, to be held here between July 29 and 31.

- "Guest Relations: The customer is king," will be held from 8 a.m. to 8:50 a.m., July 30, with Kristi Peterson of K. E. Peterson & Assoc., a consulting firm specializing in guest/customer relations training.
- "Develop greener pastures: Successful Dealer Promotions," a panel discussion to be lead by selected dealers, from 9:10 a.m. to 10 a.m. on July 30.
- "Make your store a real powerhouse: Recognize your customers' needs," on Wednesday, July 31, by Tom Stoneback, director of marketing for *Organic Gardening* magazine.
- "Take advantage of the new tax laws," by Bart Basi, president of The Center for Financial and Tax Planning Inc., on July 31, from 9:10 a.m. to 10 a.m.

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1984: A year of consolidation in a growing, vibrant industry

LUMBER
BUILDERS SQUARE
HARDWARE

Chairmen Frank Denny of Builders Square (left) and Bernard Fauber of K mart: Expansion will have repercussions throughout industry.

NHCN photos

(Continued from page 28)

made up 14.7% of the total retail lumber, building materials and hardware dealers sales, compared to 14.2% in 1983.

Three companies—Payless, Evans Products and Wickes—joined Lowe's in the $1 billion sales club last year. But, while Wickes emerged from its three-year Chap. 11 ordeal, Evans—despite a strong showing by its Retail Group—was unable to pay off its enormous bank debt, and was forced into bankruptcy early in 1985.

Sales increases industry-wide were remarkable for two reasons last year: One was that the home center industry was coming off a year in 1983 when its Top 100 chains enjoyed sales gains of 24%. Secondly, the sales increases this year were "real," as opposed to being fueled by inflation, which rose only 4% in 1984.

Much of the industry's growth last year is also attributable to the revitalized housing market, which was strong for most of the year and finished at around 1.8 million unit starts.

And a sizable portion of the industry's sales increases in 1984 came from the warehouse chains. Home Depot, Builders Square, HomeClub and Mr. HOW Warehouse were among the warehouse companies which registered enormous volume increases in 1984, primarily due to their aggressive store expansion efforts that, by all estimations, will become even more ferocious in 1984.

The markets into which these, and other home centers, are expanding, and the kinds of store formats chains developed for future growth last year, were significant barometers of where the industry will be headed through the rest of the decade.

For one thing, the nation's economic recovery has made the populous Frost Belt markets more attractive to expansion-hungry home center chains, particularly at a time when Sunbelt cities like Dallas, Houston and Phoenix are saturated with high-powered stores beating on each other daily.

The Columbus and Cincinnati, Ohio, markets have already arrived as the new industry battlefields. And Chicago, Cleveland, Detroit and possibly even Boston promise to be hotbeds of home improvement activity in 1985, as several chains—including Home Depot, Builders Square and Mr. HOW—have either announced expansion plans into these areas, or have expressed some interest in opening stores there.

There seem to be few areas of the country left where home center chains *won't* expand, as it appears the age of regionalization—when local companies rarely ventured outside their own backyards—is dead and buried.

Hechinger has already made clear its long-term goals of emerging from its being a mostly Washington-based chain to one with stores reaching as far north as Canada and as far west as Indiana. Payless and Lowe's, as mentioned, broke through their traditional regional barriers through acquisitions. And Home Depot has already opened its West Coast offices, and will open several stores in California in 1985.

With so much consolidation and expansion occurring, many companies were scrambling to open larger, warehouse-type stores in order to pre-empt the entry of larger chains using similar formats into their markets.

The warehouse phenomenon has come a long way from when many in the industry thought Home Depot to be a fad in 1979. Fifteen of the industry's top 25 chains experimented with warehouse retrofit or prototype programs last year, including many regional companies such as Hechinger, Central Hardware, Rickel, Grossman's, Moore's, Lindsley, Pergament and Busy Beaver, which also sold off its 12 smaller contractor yards to former president Jack Fagan.

Other companies such as Lowe's, Sutherland Lumber, Elliot's Hardware, Payless and Scotty's, while not specifically employing in-store warehouse racking or bulk displays, greatly enlarged their newer stores in order to stock and display a wider range of products in a way that would be competitive with warehouses.

HOME CENTER TRIVIA

Answers from Trivia, Page 12

"WHO'S WHO"

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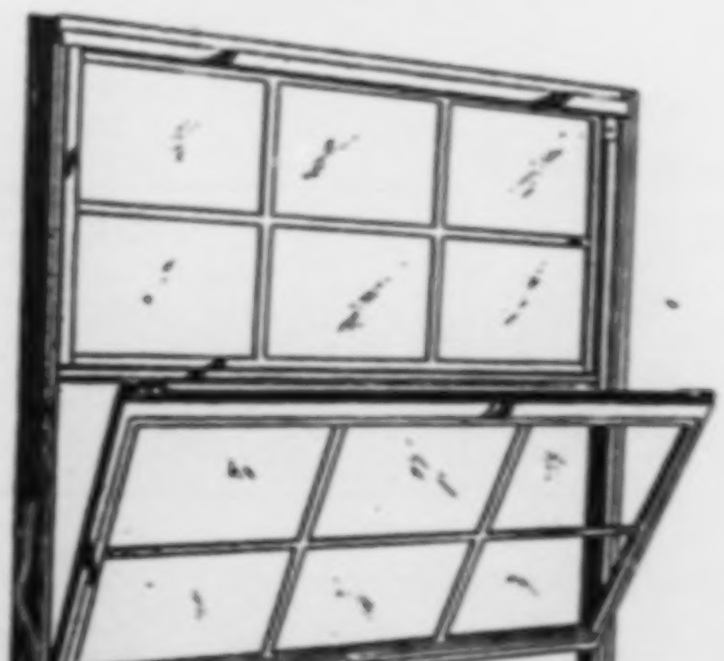

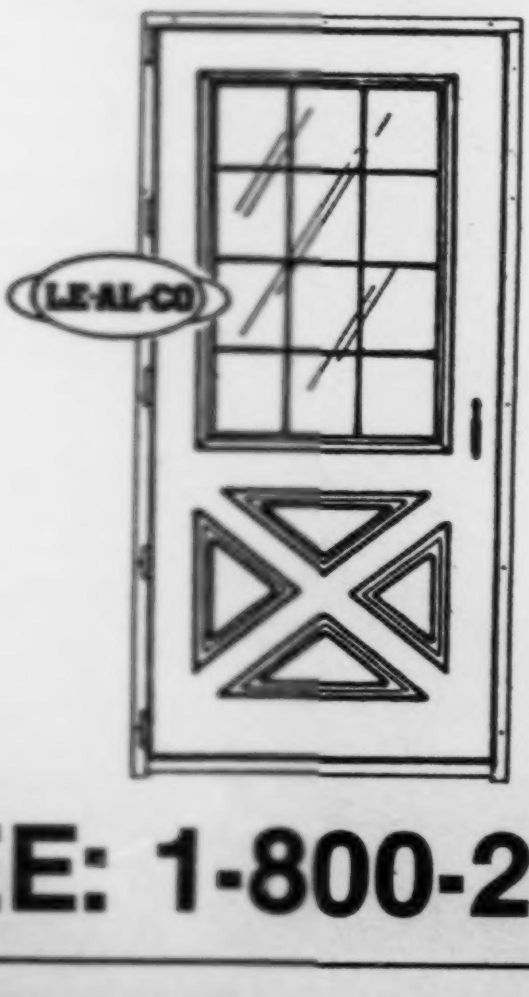

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Evans names finance exec to head retail group

(Continued from page 1)

that the bankruptcy court of the southern district of Florida has approved a motion which places vendors who resume normal shipping and credit terms with the company on "superpriority" status, which guarantees payment for all merchandise distributed after the Chapter 11 filing. On March 20, the $50 million loan from the banks for the operation of the retail stores, which had been approved by the court earlier that month, was executed.

Immediately in front of Evan's officials is a May 10 deadline on whether it wants to retain the leases it holds on its retail groups, or sell them off. (This deadline, 60 days after the filing, is one of the new provisions written into the Bankruptcy Code.) Mark said no decision about the leases has been made, but he doubted that the company planned to close more than a few stores, if any. Another job ahead of the company will be to satisfy vendors clamoring for more detailed financial data on Evans' three retail subsidiaries: Grossman's Inc., Lindsley's Inc., and Steel City Inc. The dearth of information appears to be slowing down the bankruptcy proceedings.

Already a stumbling block has tripped up early negotiations between the trade creditors and Evans officials over how much money the retail stores should be required to pay for the operational expenses of the corporation.

The home centers had been contributing about $1.1 million a month to the corporation for its administrative, legal and operational costs. However, vendors on the trade committee as well as the 22 bank lenders have sought to place a $750 thousand per month ceiling on all corporate S&GA (selling and general administrative) costs incurred by the chains, and to limit those payments to 60 days. No petitions to this effect have been filed with the court, however.

Trade and bank creditors called for reductions in the monies available to the corporation around the same time two standing reports about Posner's using funds from his foundering companies for the personal aggrandizement of himself and his family were published in *Forbes* magazine and the *Wall Street Journal*.

Vendors' suspicions about what Posner might be up to at Evans were further aggravated when Koppersmith insisted the chains needed to ante up $950 thousand a month for expenses over a longer period of time.

This served as proof to some that Koppersmith was more concerned with Posner's interests than those of the retail group, and prior to his appointment as president, there were some discussions among suppliers to have him removed from the management committee whose other members are executives from Evans' retail chains, and be replaced by a bail-out specialist.

How serious this contribution debate is remains to be seen though, particularly in light of Koppersmith's new position on the management committee which essentially remains intact as the company's representative. "I find it hard to believe that this is going to be a major issue for a company with over one billion dollars in sales," said Mitchel Perkiel, an attorney for Evans from the New York law firm Levin, Weinstraub and Cranes.

Negotiations have been moved forward by the release on March 17 of Evans Products' fourth quarter and annual, 1984, results, in which it reported total revenues of $1.4 billion but a net loss of $31.2 million, inclusive of an $18.2 million gain on the sale of discontinued operations in the second quarter. This compares with the $63.9 million loss the company suffered in fiscal 1983.

For the fourth quarter, the company actually showed earnings of $3.2 million on $376 million in sales, vs. a $38.9 million loss in the previous fourth quarter on $283 million in revenue.

Evans' retail businesses had sales and other revenues of $1,075,136,000 for the year, up 15.9% over the 1983 figures, and its volume from retail stores in the fourth quarter alone rose 18.8% to $282,694,000. However, the retail division's operating income was off 28% to $49.8 million for the year and 21.7% down from the fourth quarter.

Industry's sales surge pauses in 1st quarter

(Continued from page 1)

The heady sales basis established in 1984—with February posting a 27.8% annual gain alone—had promised to make even a strong 1985 appear modest in comparison.

However, while poor weather was partly to blame for lower-than-expected February sales, few expected sales to take such a dramatic pause.

Significantly, February marked the first month since September 1982 that the growth in retail building material sales failed to outpace the growth of all United States retail sales, since, after factoring out automotive sales, were up 5.9% in February to a monthly seasonally adjusted total of $87.5 dollars. Building material and supply store sales for the month represented $4.2 billion of that total, according to preliminary figures from the Department of Commerce.

Hardware store sales meanwhile, rose 4.8% to $810 million in February, down slightly from January, but running more closely in line with 1984's performance. Total hardware store sales last year increased 5.4% to $9.5 billion, a pace that fell significantly below the 8.3% growth rate of all retail sales, which excluding the automotive group, totaled $1.02 trillion in 1984.

Home center retailers generally see the first quarter slowdown as more of a pause than a fundamental weakening in sales.

Lowe's, for instance, posted a 21% sales increase in March, to $146.1 million, while Payless Cashways reported a 30% gain in sales for the five weeks in March to $127.3 million. Comparable store sales however, reflecting the pattern of the quarter, rose 12% in March for Payless, following a 4% gain in January and zero growth in February.

Stephen Lightstone, Payless' chief financial officer, noted that a six-week stretch of unfavorable weather made a significant impact on first quarter sales. "We've looked at our daily sales and you can track [the weather] to the day."

Nevertheless, retail and financial analysts are observing a general softening in consumer durable spending.

Salomon Brother's vice president Barbara Alexander pointed with concern to recent revisions on personal income. "What the figures showed is that after-tax income has not been keeping up with the strength of the economy. That may only be a function of people not getting their tax refunds," she said, referring to this year's massive delays at the IRS in processing tax returns.

The question remains, however, she said: "Will spending resume or will consumers begin saving to offset substantial consumer debt?"

The fact that consumers have finally embraced disinflation and are now willing to wait for the right deal without fear that prices will go up, Alexander observed, has made that question more difficult to answer than in the past.

In the background are several additional concerns:

- The inventory of unsold homes at the end of January reached its highest level in nearly five years with a seven-month supply of homes at current sales rates, compared to a 5.4 month supply a year ago. The fact that demand has failed to match the gradual rise in home affordability has led some analysts to conclude that consumers are shifting their investments into other assets besides housing.
- Lumber prices continue to slide sharply. Despite some strengthening in the last quarter of 1984, prices for such staples as S-P-F 2x4 studs are selling at ¾ of the price they were commanding a year ago, which translates almost directly into significantly lower retail lumber sales.
- Taken together with a 15% lower level of home building activity in the first quarter compared to last year, and an 8 point drop in the Consumer Confidence Index in March to 88.1 (1969-1970 = 100), building material retailers face a tough challenge in rallying first half figures to match last year's performance.

Nevertheless the ambitious expansion plans of the nation's home improvement retailers promises to show a 10% to 12% total sales gain over 1984, by *National Home Center News* estimates.

That rate of growth would put retail building material, hardware and supply store sales well ahead of the growth rate of all retail stores, which are expected to grow between 4% and 6% in 1985 resulting in year-end sales of $62 billion dollars compared to 1984's total of $59.3 billion.

Top 10 lift Top 100 to $17B in '84 sales

(Continued from page 1)

larger, established chains like Hechinger, Dixieline, Moore's, Grossman's and Menard's had healthy, if not as spectacular, sales years. The increases at Moore's and Grossman's was further evidence of the general strength of Evans Products' Retail Group, despite the corporation's filing for Chapter 11 this March.

With so much consolidation going on in the market, there was more room on this year's listing for some of the more successful independents to take their place among the industry leaders. Stripling Blake, Wolf, M. L. Claster's, Hancock Lumber, Rigg's, All-American, Budget Power and Sackett & Peters were companies not on last year's chart whose sales rose sufficiently in 1984 to place them within the Top 100 home centers in total sales.

But the sales picture wasn't as bright for the 26 companies on this year's chart whose sales rose 5% or less. In fact, six of these chains—including Gee Lumber, City Mill and Neiman-Reed, all located in markets (Chicago, Honolulu and Los Angeles) where warehouse stores sprung up—showed no sales growth in 1984, while another 16 companies suffered volume declines.

In the case of Boise Cascade, its 11% sales dip caused it to drop out of this year's Top 10 ranking.

Nevertheless, the home center industry continues to emerge as one of the primary growth segments in all of retailing. Last year, sales from the top 100 companies were 28.8% of the $59.3 billion in total retail volume generated by all lumber, building materials, hardware and supply outlets nationwide. This figure compares favorably to the 28.2% of the total the same companies represented in 1983.

Seventy one per cent of these 100 chains' sales came from consumer, or do-it-yourself, purchases, slightly above the 70% in 1983. Interestingly, while the top 10 chains in the industry got 75% of their total volume from consumer sales, that figure was down a percentage point from a year ago, an indication, perhaps, that contractor sales had picked up as a result of a strong year in the housing market.

Leaner Great Plains positioned to withstand farm woes

(Continued from page 1)

it layed off 200 employees and pared down inventory to help reduce the debt incurred through its expansion of the 1970's, and to lessen current operating costs.

Although the results of the measures are still too early to calculate, Rod Smith, public affairs director for Harvest State Cooperative, parent company to Great Plains, said, "There seems to be an optimism that it's going to help. It's going to affect the whole operation, not just Great Plains."

Smith added that despite the early stages of the company's cost-cutting initiative, the immediate results suggest that "things are on a more even footing. Great Plains is surviving."

According to Sellner: "We are lean and can sustain a few more years of this."

The company has been streamlining its operations for several years now. Great Plains' peak size, 124 units, was reached in the early 1970's.

In 1984, company sales were $73 million. This year, Sellner said company projections are running at $45 million.

No more store closings are expected. Most of the laid-off workers have been hired by other companies in their areas, kept on by "many" Great Plains former store managers who bought their units from the cooperative, or moved from those towns, according to several sources.

The 41 closed installations and their 200 employees are located in small towns—some have just 600 people—in Iowa, Nebraska, Minnesota, North Dakota, South Dakota and Montana, all the company's markets. Last year these units recorded individual sales of between $650,000 and $2 million.

Withdrawing from these areas did not eliminate Great Plains Supply from these states, just reduced the store count.

Of the 41 remaining units, 16 are located in North Dakota, 10 are in Iowa, 9 in Minnesota, 3 in South Dakota, 2 in Montana and 1 in Nebraska. These yards are expected to produce annual sales this year of between $650,000 and $3 million each, said Sellner.

The 41 units the company closed earlier this year were selected "because we didn't feel the markets would improve in those areas. They either had losses or were projected to lose money," Sellner explained.

Great Plains Supply, a division of Harvest State Cooperative of St. Paul, is a diversified cooperative business located in farm communities.

The "prime reason" Great Plains closed 41 stores in January was because it was operating with borrowed money. "We wanted to convert it to cash," said Sellner.

Financial troubles arose at Great Plains when "inflation left the building materials business," he commented. "It hurt us. Consumers no longer had an incentive to invest."

The company borrowed and invested heavily in its expansion in the 1970's and got snagged in the early 1980's when inflation dropped and the economic recession set in.

Sellner added that during the years of high energy costs, people left many of the Midwestern farm communities for the Sunbelt. This followed by high interest rates, the farm problems and a strong dollar amounted to "Farmers losing their ability to borrow as land values declined."

Over the last few years, and in preparation for the recent store closings, Sellner said Great Plains pared its inventory to reflect the slower times. It did not eliminate any lines, just reduced their depth.

Although it has not liberalized credit terms to its customers, as many retailers in farm communities have done in their desperate attempt to maintain sales and hold onto their businesses, Sellner said Great Plains is more tolerant of customers paying more slowly on their accounts.

Inventory doesn't turn as quickly either. "The turns slow up as soon as the farmers pull back," he noted.

While the national economy goes through its stages of recovery, Great Plains will work at reducing its debt "so it isn't so much a part of our operating expenses" and increasing its appeal to the hobby farmer and light commercial accounts. It will do this through increased advertising, Sellner said.

This year the St. Paul-based company will spend slightly more for its advertising, 1.7% of sales compared to the 1.6% of sales it spent in 1984.